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ABSTRACT

Revisions and extensions of Title VIII of the Public Health Service Act are presented in this conference report of the U.S. House of Representatives. It is proposed that the Act be cited as the "Public Health Service Act Amendments of 1984." The texts of proposed amendments, including revisions of the language of the legislation, are presented for various sections of the following: Title I, Health Professions Training Assistance; Title II, Nurse Education; Title III, National Health Service Corps; Title IV, Health Maintenance Organizations; and Title V, Primary Care. Areas on which the conference reached agreement are also identified for each section. The proposed legislation covers: appropriations for financial aid; the Health Education Assistance Loan Program and the Health Professions Student Loan Program; eligibility for capitation grants; special nurse education projects, including advanced nurse education and nurse practitioner and nurse midwife programs; personnel plan for the National Health Service Corps; limitation on loan and loan guarantees for health maintenance organizations for initial costs of operation; underserved populations for primary medical care; and state grants for primary care research, demonstration, and services. (SW)

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ED257340

98TH CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPORT
98-1143

REVISING AND EXTENDING TITLE VIII OF THE PUBLIC HEALTH SERVICE ACT

OCTOBER 4, 1984.—Ordered to be printed

Mr. DINGELL, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany S. 2574]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the amendments of the House to the bill (S. 2574) to revise and extend title VIII of the Public Health Service Act, relating to nurse education, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows.

That the House recede from it disagreement to the amendment of the Senate to the amendment of the House to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Public Health Service Act Amendments of 1984".

REFERENCE

SEC. 2. Except as otherwise specifically provided whenever in this Act an amendment of repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

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TITLE I—HEALTH PROFESSIONS TRAINING ASSISTANCE

PART A—AUTHORIZATIONS OF APPROPRIATIONS

SCOPE AND DURATION OF FEDERAL LOAN INSURANCE PROGRAM

SEC. 101. (a) The first sentence of section 728(a) is amended by striking out "and" after "1983;" and by inserting before the period a semicolon and "$250,000,000 for the fiscal year ending September 30, 1985; $275,000,000 for the fiscal year ending September 30, 1986; and $290,000,000 for the fiscal year ending September 30, 1987".

(b) The second sentence of such section is amended by striking out "1987," and inserting in lieu thereof "1990,".

STUDENT LOANS

SEC. 102. (a) Section 742(a) is amended by striking out "and" after "1983," and by inserting before the period a comma and "$7,500,000 for the fiscal year ending September 30, 1985, $7,500,000 for the fiscal year ending September 30, 1986, and $7,500,000 for the fiscal year ending September 30, 1987".

(b) Section 743 is amended by striking out "1987" each place it appears and inserting in lieu thereof "1990".

SCHOLARSHIPS FOR STUDENTS OF EXCEPTIONAL FINANCIAL NEED

SEC. 103. Section 758(d) is amended by striking out "and" after "1983," and by inserting before the period a comma and "$8,000,000 for the fiscal year ending September 30, 1985, $8,600,000 for the fiscal year ending September 30, 1986, and $9,000,000 for the fiscal year ending September 30, 1987".

DEPARTMENTS OF FAMILY MEDICINE

SEC. 104. Section 780(c) is amended by striking out "and" after "1983," and by inserting a comma and "$8,200,000 for the fiscal year ending September 30, 1985, $8,500,000 for the fiscal year ending September 30, 1986, and $8,500,000 for the fiscal year ending September 30, 1987" after "1984".

AREA HEALTH EDUCATION CENTERS

SEC. 105. The first sentence of section 781(g) is amended by striking out "and" after "1983," and by inserting before the period a comma and "$18,000,000 for the fiscal year ending September 30, 1985, $19,200,000 for the fiscal year ending September 30, 1986, and $20,000,000 for the fiscal year ending September 30, 1987".

PHYSICIAN ASSISTANTS

SEC. 106. Section 783(d) is amended by striking out "and" after "1983," and by inserting before the period a comma and "$5,600,000 for the fiscal year ending September 30, 1985, $5,600,000 for the fiscal year ending September 30, 1986, and $5,600,000 for the fiscal year ending September 30, 1987".

GENERAL INTERNAL MEDICINE AND GENERAL PEDIATRICS

SEC. 107. Section 784(b) is amended by striking out "and" after "1983," and by inserting before the period a comma and "$21,500,000 for the fiscal year ending September 30, 1985, $21,500,000 for the fiscal year ending September 30, 1986, and $21,500,000 for the fiscal year ending September 30, 1987".

FAMILY MEDICINE AND GENERAL PRACTICE OF DENTISTRY

SEC. 108. (a) The first sentence of section 786(c) is amended by striking out "and" after "1983," and by inserting before the period a comma and "$37,000,000 for the fiscal year ending September 30, 1985, $39,000,000 for the fiscal year ending September 30, 1986, and $39,000,000 for the fiscal year ending September 30, 1987".

(b) The second sentence of such section is amended by striking out "and" after "1983," and by inserting "September 30, 1985, September 30, 1986, and September 30, 1987," after "1984,".

EDUCATIONAL ASSISTANCE TO INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS

SEC. 109. The first sentence of section 787(b) is amended by striking out "and" after "1983," and by inserting before the period a comma and "$24,000,000 for the fiscal year ending September 30, 1985, $25,200,000 for the fiscal year ending September 30, 1986, and $26,000,000 for the fiscal year ending September 30, 1987".

CURRICULUM DEVELOPMENT AND FACULTY TRAINING GRANTS

SEC. 110. Section 788(f) is amended—

(1) by inserting "(1)" before "For";

(2) by striking out "this section," and inserting in lieu thereof "subsections (a), (b), (c), (e), and (f),";

(3) by striking out "and" after "1983;";

(4) by inserting before the period a semicolon and "$6,000,000 for the fiscal year ending September 30, 1985; $6,500,000 for the fiscal year ending September 30, 1986; and $7,000,000 for the fiscal year ending September 30, 1987"; and

(5) by adding at the end thereof the following:

"(2) For purposes of subsection (d), there are authorized to be appropriated $2,000,000 for the fiscal year ending September 30, 1985; $3,000,000 for the fiscal year ending September 30, 1986; and $3,000,000 for the fiscal year ending September 30, 1987.".

ADVANCED FINANCIAL DISTRESS ASSISTANCE

SEC. 111. The first sentence of section 788B(h) is amended by inserting before the period a comma and "$5,600,000 for the fiscal year ending September 30, 1985, $4,200,000 for the fiscal year ending September 30, 1986, and $3,000,000 for the fiscal year ending September 30, 1987".

GRADUATE PROGRAMS IN HEALTH ADMINISTRATION

SEC. 112. Section 791(d) is amended by striking out "and" after "1983," and by inserting before the period a comma and "$2,500,000

for the fiscal year ending September 30, 1985, $2,500,000 for the fiscal year ending September 30, 1986, and $2,500,000 for the fiscal year ending September 30, 1987".

TRAINEESHIPS FOR STUDENTS IN OTHER GRADUATE PROGRAMS

SEC. 113. Section 791A(c) is amended by striking out "and" after "1980;", and by inserting before the period a semicolon and "$1,000,000 for the fiscal year ending September 30, 1985; $1,000,000 for the fiscal year ending September 30, 1986; and $1,000,000 for the fiscal year ending September 30, 1987".

PUBLIC HEALTH TRAINEESHIPS

SEC. 114. Section 792(c) is amended by striking out "and" after "1983;" and by inserting before the period a semicolon and "$4,000,000 for the fiscal year ending September 30, 1985; and $4,000,000 for the fiscal year ending September 30, 1986; and $4,000,000 for the fiscal year ending September 30, 1987".

TRAINING IN PREVENTIVE MEDICINE

SEC. 115. Section 793(c) is amended by striking out "and" after "1983," and by inserting before the period a comma and "$2,500,000 for the fiscal year ending September 30, 1985, and $2,500,000 for the fiscal year ending September 30, 1986, and $2,500,000 for the fiscal year ending September 30, 1987".

PART B—PROGRAM REVISIONS

SCHOOLS OF CHIROPRACTIC

SEC. 121. (a) Section 701(4) (42 U.S.C. 292a (4)) is amended—

(1) by striking out "and" after "'school of veterinary medicine';";

(2) by inserting a comma and "and 'school of chiropractic'," after "'school of public health'";

(3) by striking out "and" after "a degree of doctor of veterinary medicine or an equivalent degree,"; and

(4) by inserting "and a degree of doctor of chiropractic or an equivalent degree," before "and including advanced training related to".

(b) Section 701(5) (42 U.S.C. 292a (5)) is amended—

(1) by striking out "or", after "pharmacy,"; and

(2) by striking "or chiropractic," after "public health,".

(c) Section 737 (42 U.S.C. 294j) is amended by striking out paragraph (2) and by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively.

TRAINING OF PHYSICIAN ASSISTANTS

SEC. 122. Section 701(8) (42 U.S.C. 292a (8)) is amended to read as follows:

"(8)(A) The term 'program for the training of physician assistants' means an educational program which (i) has as its objective the education of individuals who will, upon completion of their studies in the program, be qualified to provide primary

health care under the supervision of a physician, and (ii) meets regulations prescribed by the Secretary in accordance with subparagraph (B).

"(B) After consultation with appropriate organizations, the Secretary shall, not later than May 1, 1985, prescribe regulations for programs for the training of physician assistants. Such regulations shall, as a minimum, require that such a program—

"(i) extend for at least one academic year and consist of—

"(I) supervised clinical practice, and

"(II) at least four months (in the aggregate) of classroom instruction, directed toward preparing students to deliver health care;

"(ii) have an enrollment of not less than eight students; and

"(iii) train students in primary care, disease prevention, health promotion, geriatric medicine, and home health care.".

SCHOOLS OF ALLIED HEALTH

SEC. 123. (a) Section 701(10) (42 U.S.C. 292a(10)) is amended—

(1) by inserting "college," before "junior college,"; and

(2) by striking out "in a discipline of allied health leading to a baccalaureate or associate degree (or an equivalent of either) or to a more advanced degree" in subparagraph (A) and inserting in lieu thereof "to enable individuals to become allied health professionals or to provide additional training for allied health professionals".

(b) Section 701 (42 U.S.C. 292a) is amended by adding at the end thereof the following new paragraph:

"(13) The term 'allied health professional' means an individual—

"(A) who has received a certificate, an associate's degree, a bachelor's degree, a masters' degree, a doctoral degree, or postbaccalaureate training, in a science relating to health care;

"(B) who shares in the responsibility for the delivery of health care services or related services, including—

"(i) services relating to the identification, evaluation, and prevention of diseases and disorders;

"(ii) dietary and nutrition services;

"(iii) health promotion services;

"(iv) rehabilitation services; or

"(v) health systems management services; and

"(C) who is not a graduate of a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, pharmacy, public health, or chiropractic, or a graduate program in health administration or clinical psychology.".

GRADUATE PROGRAMS IN CLINICAL PSYCHOLOGY

SEC. 124. (a) Section 701 (42 U.S.C. 292a) (as amended by section 123(a)(2) of this Act) is further amended by adding at the end thereof the following new paragraph:

"(14) The term 'graduate program in clinical psychology' means an accredited graduate program in a public or nonprofit private institution in a State which provides training leading to a doctoral degree in clinical psychology or an equivalent degree.".

(b) Section 701(5) (42 U.S.C. 292a(5)) (as amended by section 121(b) of this Act) is further amended—

(1) by striking out "or" after "chiropractic,"; and

(2) by inserting "or a graduate program in clinical psychology," after "health administration,".

(c) Section 737 (42 U.S.C. 294j) (as amended by section 121(c) of this Act) is further amended by striking out paragraph (2) (as redesignated by section 121(c) of this Act) and by redesignating paragraphs (3) and (4) (as redesignated by section 121(c) of this Act) as paragraphs (2) and (3), respectively.

NATIONAL ADVISORY COUNCIL ON HEALTH PROFESSIONS EDUCATION

SEC. 125. (a) Section 702(a) (42 U.S.C. 292b(a)) is amended by striking out the last sentence and inserting in lieu thereof the following: "Of the appointed members of the Council—

"(1) twelve shall be representatives of the health professions schools assisted under programs authorized under this title, including—

"(A) one representative of each of schools of veterinary medicine, optometry, pharmacy, podiatry, public health, and allied health, and graduate programs in health administration; and

"(B) at least six persons experienced in university administration, at least one of whom shall be a representative of a school described in subparagraph (A);

"(2) two shall be full-time students enrolled in health professions schools; and

"(3) six shall be members of the general public.

TECHNICAL ASSISTANCE

SEC. 126. Section 709(d) (42 U.S.C. 292i(d)) is amended to read as follows:

"(d) Funds appropriated under this title may be used by the Secretary to provide technical assistance in relation to any of the authorities under this title.".

RECOVERY OF ASSISTANCE

SEC. 127. (a) Section 723 (42 U.S.C. 293c) is amended to read as follows:

"RECOVERY

"SEC. 723. (a) If at any time within 20 years (or within such shorter period as the Secretary may prescribe by regulations for an interim facility) after the completion of construction of a facility with respect to which funds have been paid under section 720(a)—

"(1)(A) in the case of a facility which was an affiliated hospital or outpatient facility with respect to which funds have been

paid under section 720(a)(1), the facility is sold or transferred to an entity that would not be qualified to file an application under section 605 or the owner shall cease to be a public or other nonprofit entity that would be qualified to file such an application.

"(B) in the case of a facility which was not an affiliated hospital or outpatient facility but was a facility with respect to which funds have been paid under paragraph (1) or (3) of section 720(a), the facility is sold or transferred to an entity which is not a public or nonprofit school or the owner shall cease to be a public or nonprofit school, or

"(C) in the case of a facility which was a facility with respect to which funds have been paid under section 720(a)(2), the facility is sold or transferred to an entity which is not a public or nonprofit school or the owner shall cease to be a public or nonprofit school,

"(2) the facility shall cease to be used for the teaching or training purposes (or other purposes permitted under section 722) for which it was constructed, or

"(3) the facility is used for sectarian instruction or as a place for religious worship,

the United States shall be entitled to recover, whether from the transferor or the transferee (or, in the case of a facility which has ceased to be an entity qualified to file an application under section 605 or a public or nonprofit school or ceased to be used for a purpose referred to in paragraph (2) or is used for sectarian instruction or religious worship, from the owners thereof) an amount determined under subsection (c).

"(b) The transferor of a facility which is sold or transferred as described in paragraph (1) of subsection (a), the owner of a facility which ceases to be a qualified public or other nonprofit entity or a public or nonprofit school, or the owner of a facility the use of which is changed as described in paragraph (2) or (3) of subsection (a), shall provide the Secretary written notice of such sale. transfer, or change—

"(1) not later than—

"(A) ten days after the date on which such sale, transfer, or change of use occurs, in the case of a facility which is sold or transferred or the use of which changes on or after the date of the enactment of this subsection, or

"(B) thirty days after the date of the enactment of this subsection, in the case of a facility which was sold or transferred or the use of which changed before the date of the enactment of this subsection, or

"(2) if the Secretary determines that such notice with respect to such change should more appropriately be made in the annual report to the Secretary of the person required to provide such notice, in the first such report after such change.

"(c)(1) Except as provided in paragraph (2), the amount the United States shall be entitled to recover under subsection (a) is an amount bearing the same ratio to the then value (as determined by the agreement of the parties or in an action brought in the district court of the United States for the district for which the facility involved is situated) of so much of the facility as constituted an approved

project or projects as the amount of the Federal participation bore to the cost of the construction of such project or projects.

"(2)(A) After the expiration of—

"(i) 180 days after the date of the sale, transfer, or change of use for which a notice is required by subsection (b), in the case of a facility which is sold or transferred or the use of which changes on or after the date of the enactment of this subsection, or

"(ii) thirty days after the date of the enactment of this subsection or if later 180 days after the date of the sale, transfer, or change of use for which a notice is required by subsection (b), in the case of a facility which was sold or transferred or the use of which changed before the date of the enactment of this subsection,

the amount which the United States is entitled to recover under paragraph (1) with respect to a facility shall be the amount prescribed by paragraph (1) plus interest, during the period described in subparagraph (B), at a rate (determined by the Secretary) based on the average of the bond equivalent of the weekly ninety-one-day Treasury bill auction rate.

"(B) The period referred to in subparagraph (A) is the period beginning—

"(i) in the case of a facility which was sold or transferred or the use of which changes before the date of the enactment of this subsection, thirty days after such date or if later 180 days after the date of the sale, transfer, or change of use for which a notice is required by subsection (b),

"(ii) in the case of a facility which was sold or transferred or the use of which changes on or after the date of enactment of this subsection, and with respect to which notice is provided in accordance with subsection (b), upon the expiration of 180 days after the receipt of such notice, or

"(iii) in the case of a facility which was sold or transferred or the use of which changes on or after the date of enactment of this subsection, and with respect to which such notice is not provided as prescribed by subsection (b), on the date of the sale, transfer, or change of use for which such notice was to be provided,

and ending on the date the amount the United States is entitled to under paragraph (1) is collected.

"(d) The Secretary may waive the recovery rights of the United States under subsection (a)(2) with respect to a facility in any State if the Secretary determines, in accordance with regulations, that there is good cause for waiving such rights with respect to such facility.

"(e) The right of recovery of the United States under subsection (a) shall not constitute a lien on any facility with respect to which funds have been paid under section 606.".

(b) Within one hundred and eighty days after the date of the enactment of this Act, the Secretary shall have in effect regulations to carry out subsection (b) of section 723 of the Public Health Service Act (as added by the amendment made by subsection (a) of this section).

HEALTH EDUCATION ASSISTANCE LOAN PROGRAM

SEC. 128. (a)(1) Section 731(a)(1)(A) (42 U.S.C. 294d(a)(1)(A)) is amended by striking out "and" at the end of clause (iii), by redesignating clause (iv) as clause (v), and by inserting after clause (iii) the following:

"(iv) if required under section 3 of the Military Selective Service Act to present himself for and submit to registration under such section, has presented himself and submitted to registration under such section; and".

(2) Section 731(a)(1)(B) (42 U.S.C. 294d (a) (B)) is amended by striking out "and" at the end of clause (ii), and by inserting after clause (iii) the following:

"(iv) if required under section 3 of the Military Selective Service Act to present himself for and submit to registration under such section, has presented himself and submitted to registration under such section; and".

(b) (1) Section 731(a)(2)(B) (42 U.S.C. 294d (a) (2) (B)) is amended to read as follows:

"(B) provides for repayment of the principal amount of the loan in installments over a period of not less than 10 years (unless sooner repaid) nor more than 25 years beginning not earlier than 9 months nor later than 12 months after the later of—

"(i) the date on which—

"(I) the borrower ceases to be a participant in an accredited internship or residency program of not more than four years in duration;

"(II) the borrower completed the fourth year of an accredited internship or residency program of more than four years in duration; or

"(III) the borrower, if not a participant in a program described in subclause (I) or (II), ceases to carry, at an eligible institution, the normal full-time academic workload as determined by the institution; or

"(ii) the date on which a borrower who is a graduate of an eligible institution ceases to be a participant in a fellowship training program not in excess of two years or in a full-time educational activity not in excess of two years, which—

"(I) is directly related to the health profession for which the borrower prepared at an eligible institution, as determined by the Secretary; and

"(II) may be engaged in by the borrower during such a two-year period which begins within twelve months after the completion of the borrower's participation in a program described in subclause (I) or (II) of clause (i) or prior to the completion of the borrower's participation in such program,

except as provided in subparagraph (C), except that the period of the loan may not exceed 33 years from the date of execution of the note or written agreement evidencing it, and except that the note or other written instrument may contain such provisions relating to repayment in the event of default in the payment of interest or in the payment of the costs of insurance pre-

miums or other default by the borrower, as may be authorized by regulations of the Secretary in effect at the time the loan is made;".

(2) Section 731(a)(2)(C) (42 U.S.C. 294d(a)(2)(C)) is amended—

(A) by inserting "(including any period in such a program described in subclause (I) or subclause (II) of subparagraph (B)(i))" before the comma in clause (ii);

(B) by striking out "or the 33-year period" in clause (vi);

(C) by striking out "or" after "National Health Service Corps," in clause (v); and

(D) by inserting "or (vii) any period not in excess of two years which is described in subparagraph (B) (ii)" after "Domestic Volunteer Service Act of 1973,".

(3)(A) The provisions of clause (i) of section 731(a)(2)(B) of the Public Health Service Act (as amended by paragraph (1) of this subsection) and the provisions of clauses (ii) and (vi) of section 731(a)(2)(C) of such Act (as amended by subparagraphs (A) and (B) of paragraph (2)) shall not apply to any individual who, prior to the date of enactment of this Act, received a loan insured under subpart I of part C of title VII of such Act.

(B) The provisions of clause (ii) of section 731(a)(2)(B) of the Public Health Service Act and clause (vii) of section 731(a)(2)(C) of such Act (as added by the amendments made by paragraphs (1) and (2)(D) of this subsection, respectively) shall apply to any loan insured under subpart I of part C of title VII of such Act after the date of enactment of this Act.

(4) Within 90 days after the date of enactement of this Act, the Secretary of Health and Human Services shall promulgate regulations to carry out clause (ii) of section 731(a)(2)(B) of the Public Health Service Act and clause (vii) of section 731(a)(2)(C) of such Act (as added by the amendments made by paragraphs (1) and (2)(D) of this subsection, respectively). Such regulations shall—

(A) prescribe criteria for the determination of the types of fellowship training programs and full-time educational activities which will be permitted under such clauses; and

(B) establish procedures for a borrower to apply to the Secretary for a determination concerning whether a particular fellowship training program or full-time educational activity will be permitted under such clauses.

(c) (1) Section 731(a)(2)(D) (42 U.S.C. 294d(a)(2)(D)) is amended to read as follows:

"(D) provides for interest on the unpaid principal balance of the loan at a yearly rate, not exceeding the applicable maximum rate prescribed and defined by the Secretary (within the limits set forth in subsection (b)) on a national, regional, or other appropriate basis, which interest shall—

"(i) be simple interest during—

"(I) any period during which the borrower is pursuing a full-time course of study at an eligible institution (or at an institution defined by section 435(b) of the Higher Education Act of 1965); and

"(II) any period or periods which total not in excess of two years and during which the borrower is not required to pay periodic installments of principal and in-

terest pursuant to clauses (ii) through (vii) of subparagraph (C);

"(ii) be compounded semiannually during any period of the loan to which clause (i) of this subparagraph does not apply; and

"(iii) be payable in installments over the period of the loan, except as provided in subparagraph (C),

except that the note or other written agreement may provide that payment of any interest may be deferred until not later than the date upon which repayment of the first installment of principal falls due or the date repayment of principal is required to resume (whichever is applicable) and may further provide that, on such date, the amount of the interest which has so accrued may be added to the principal for the purposes of calculating a repayment schedule;".

(2) The amendment made by paragraph (1) of this subsection shall apply to any loan insured under subpart I of part C of title VII of the Public Health Service Act after the date of enactment of this Act.

(d) Section 731(c) (42 U.S.C. 294d(c)) is amended—

(1) by striking out "section 731(a)(2)(C)" and inserting in lieu thereof "subsection (a)(2)(C)"; and

(2) by inserting before the period a comma and "unless the borrower, in the written agreement described in subsection (a)(2), agrees to make payments during any year or any repayment period in a lesser amount".

(e) Section 732(c) (42 U.S.C. 294e(c)) is amended—

(1) by inserting "(1)" before "The";

(2) by striking out "2" in the first sentence and inserting in lieu thereof "4";

(3) by striking out "in advance, at such times and" in the first sentence and inserting in lieu thereof "in advance at the time the loan is made"; and

(4) by adding at the end thereof the following new paragraph:

"(2) The Secretary may not increase the percentage per year on the principal balance of loans charged pursuant to paragraph (1) for insurance premiums, unless the Secretary has, prior to any such increase—

"(A) requested a qualified public accounting firm to evaluate whether an increase in such percentage is necessary to ensure the solvency of the student loan fund established by section 734, and to determine the amount of such an increase, if necessary; and

"(B) such accounting firm has recommended such an increase and has determined the amount of such increase necessary to ensure the solvency of such fund.

The Secretary may not increase such percentage in excess of the maximum percentage permitted by paragraph (1) or increase such percentage by an amount in excess of the amount of the increase determined by a qualified accounting firm pursuant to this paragraph.".

(f) The first sentence of subsection (a) of section 734 (42 U.S.C. 294g) and the first sentence of subsection (b) of such section are each amended by inserting "collection or" before "default".

(g)(1) Section 729(a) (42 U.S.C. 294b(a)) is amended by inserting "allied health," after "public health," each place it appears.

(2) Section 737 (42 U.S.C. 294j) (as amended by sections 121(c) and 124(c) of this Act) is further amended—

(1) by inserting a comma and "allied health," after "public health" in paragraph (1); and

(2) by adding at the end thereof the following new paragraph:

"(4) The term 'school of allied health' means a program in a school of allied health (as defined in section 701(10)) which leads to a masters' degree or a doctoral degree.".

HEALTH PROFESSIONS STUDENT LOAN PROGRAM

SEC. 129. (a)(1) Section 740(a) (42 U.S.C. 294m(a)) is amended—

(A) by striking out "or veterinary medicine" and inserting in lieu thereof "veterinary medicine, public health, or chiropractic"; and

(B) by inserting before the period "and with any public or other nonprofit school which is located in a State and which offers an accredited graduate program in clinical psychology".

(2) Section 740(b)(4) (42 U.S.C. 294m(b)(4)) is amended—

(A) by inserting "doctor of pharmacy or an equivalent degree," before "doctor of podiatry";

(B) by striking out "or" before "doctor of veterinary medicine"; and

(C) by inserting a comma and "or doctor of chiropractic or an equivalent degree, a graduate degree in public health or an equivalent degree, or a doctoral degree in clinical psychology or an equivalent degree" before the semicolon.

(3) Section 741(b) (42 U.S.C. 294n(b)) is amended—

(A) by inserting "doctor of pharmacy or an equivalent degree," before "doctor of podiatry";

(B) by striking out "or" before "doctor of veterinary medicine"; and

(C) by inserting a comma and "or doctor of chiropractic or an equivalent degree, a graduate degree in public health or an equivalent degree, or a doctoral degree in clinical psychology or an equivalent degree" before the period.

(4) Section 741(c) (42 U.S.C. 294n(c)) is amended by striking out "or veterinary medicine," and inserting in lieu thereof "veterinary medicine, public health, or chiropractic, or in a graduate program in clinical psychology,".

(5) Section 741(f)(1)(A) (42 U.S.C. 294n(f)(1)(A)) is amended by striking out "or doctor of podiatry or an equivalent degree" and inserting in lieu thereof "doctor of pharmacy or an equivalent degree, doctor of podiatry or an equivalent degree, or doctor of chiropractic or an equivalent degree, a graduate degree in public health, or a doctoral degree in clinical psychology".

(6) Section 742(a) (42 U.S.C. 294o(a)) is amended by adding at the end thereof the following: "Of the amount appropriated under this subsection for any fiscal year, not more than 4 percent of such

amount may be made available for Federal capital contributions for student loan funds at schools of chiropractic.".

(7) Subpart II of part C of title VII is amended by adding at the end thereof the following new section:

"DEFINITION

"SEC. 745. For purposes of this subpart, the term 'school of pharmacy' means a public or nonprofit private school in a State which provides training leading to a degree of bachelor of science in pharmacy or an equivalent degree or a degree of doctor of pharmacy or an equivalent degree and which is accredited in the manner described in section 701(5).".

(b) Section 740(b) (42 U.S.C. 294m(b)) is amended by adding after paragraph (6) the following: "With respect to fiscal years beginning after the fiscal year ending September 30, 1984, each agreement shall provide that at least one-half of the Federal contribution in such fiscal years to the student loan fund of the school shall be used to make loans to individuals from disadvantaged backgrounds as determined in accordance with criteria in effect on September 30, 1984, which were prescribed by the Secretary under section 787.".

(c) Section 741(b) (42 U.S.C. 294n(b)) (as amended by subsection (a)(3) of this section) is further amended by inserting "(1)" after "student" and by inserting before the period a comma and the following: "and (2) who if required under section 3 of the Military Selective Service Act to present himself for and submit to registration under such section, has presented himself and submitted to registration under such section.".

(d)(1) Section 741(c) (42 U.S.C. 294n(c)) (as amended by subsection (a)(4) of this section) is amended to read as follows:

"(c) Such loans shall be repayable in equal or graduated periodic installments (with the right of the borrower to accelerate repayment) over the ten-year period which begins one year after the student ceases to pursue a full-time course of study at a school of medicine, osteopathy, dentistry, pharmacy, podiatry, optometry, veterinary medicine, public health, or chiropractic, or in a graduate program in clinical psychology, excluding from such ten-year period—

"(1) all periods—

"(A) not in excess of three years of active duty performed by the borrower as a member of a uniformed service,

"(B) not in excess of three years during which the borrower serves as a volunteer under the Peace Corps Act; and

"(C) during which the borrower participates in advanced professional training, including internships and residencies; and

"(2) a period—

"(A) not in excess of two years during which a borrower who is a full-time student in such a school or program leaves the school or program, with the intent to return to such school or program as a full-time student, in order to engage in a full-time educational activity which is directly related to the health profession for which the individual is preparing, as determined by the Secretary; or

"(B) not in excess of two years during which a borrower who is a graduate of such a school or program is a participant in a fellowship training program or a full-time educational activity which—

"(i) is directly related to the health profession for which such borrower prepared at such school or program, as determined by the Secretary; and

"(ii) may be engaged in by the borrower during such a two-year period which begins within twelve months after the completion of the borrower's participation in advanced professional training described in paragraph (1)(C) or prior to the completion of such borrower's participation in such training.".

(2) The provisions of section 741(c)(2)(A) of the Public Health Service Act (as added by the amendment made by paragraph (1) of this subsection) shall apply to—

(A) any individual who received a loan under subpart II of part C of title VII of the Public Health Service Act and to whom the provisions of such section (if such provisions had been in effect) would have applied between June 17, 1982, and July 7, 1983; and

(B) any individual who, after the date of enactment of this Act, is a full-time student in a school or program referred to in such section and who (prior to, on, or after the date of enactment of this Act), received a loan under such subpart to assist such student in their studies in such school or program.

(3) The provisions of section 741(c)(2)(B) of the Public Health Service Act (as added by the amendment made by paragraph (1) of this subsection) shall apply to any loan made under subpart II of part C of title VII of such Act after the date of enactment of this Act.

(4) Within 90 days after the date of enactment of this Act, the Secretary of Health and Human Services shall promulgate regulations to carry out section 741(c)(2) of the Public Health Service Act (as added by the amendment made by paragraph (1) of this subsection) with respect to any loan made under subpart II of part C of title VII of such Act on or after the date of enactment of this Act. Such regulations shall—

(A) with respect to the provisions of subparagraph (A) of such section—

(i) prescribe criteria for the determination of the types of full-time educational activities which will be permitted under such subparagraph;

(ii) require the school or program in which the borrower was enrolled as a full-time student to determine, prior to the borrower's leaving such school or program, whether an educational activity in which the student proposes to engage qualifies for purposes of such subparagraph and such regulations; and

(B) with respect to the provisions of subparagraph (B) of such section—

(i) prescribe criteria for the determination of the types of fellowship training programs and full-time educational activities which will be permitted under such subparagraph; and

(ii) establish procedures for a borrower to apply to the Secretary for a determination concerning whether a particular fellowship training program or full-time educational activity will be permitted under such subparagraph.

(e) Section 741(i) (42 U.S.C. 294n(i)) is amended to read as follows:

"(i) Subject to regulations of the Secretary, a school may assess a charge with respect to loans made under this subpart to cover the costs of insuring against cancellation of liability under subsection (d).".

(f) Section 741(j) (42 U.S.C 294n(j)) is amended—

(1) by inserting "and in accordance with this section" after "Secretary" in the first sentence;

(2) by striking out "may" in such sentence and inserting in lieu therof "shall"; and

(3) by striking out the second sentence and inserting in lieu thereof the following: "No such charge may be made if the payment of such installment or the filing of such evidence is made within 60 days after the date on which such installment or filing is due. The amount of any such charge may not exceed an amount equal to 6 percent of the amount of such installment.

(g) Section 741 (42 U.S.C. 294n) is amended by adding at the end thereof the following new subsection:

"(m) The Secretary is authorized to attempt to collect any loan which was made under this subpart, which is in default, and which was referred to the Secretary by a school with which the Secretary has an agreement under this subpart, on behalf of that school under such terms and conditions as the Secretary may prescribe (including reimbursement from the school's student loan fund for expenses the Secretary may reasonably incur in attempting collection), but only if the school has complied with such requirements as the Secretary may specify by regulation with respect to the collection of loans under this subpart. A loan so referred shall be treated as a debt subject to section 5514 of title 5, United States Code. Amounts collected shall be deposited in the school's student loan fund. Whenever the Secretary desires the institution of a civil action regarding such loan, the Secretary shall refer the matter to the Attorney General for appropriate action.".

(h) Section 742(b) (42 U.S.C. 294o(b)) is amended by adding at the end thereof the following new paragraph:

"(5) Any funds from a student loan fund established under this subpart which are returned to the Secretary in any fiscal year shall be available for allotment under this subpart, in such fiscal year and the fiscal year succeeding such fiscal year, to schools which, during the period beginning on July 1, 1972, and ending on September 30, 1984, established student loan funds with Federal capital contributions under this subpart.".

(i) Subpart II of part C of title VII (as amended by subsection (a)(7) of this subsection) is further amended—

(1) by redesignating section 745 (as added by subsection (a)(7) of this section) as section 747; and

(2) by inserting after section 744 (42 U.S.C. 294q) the following new sections:

"STUDENT LOAN INFORMATION BY INSTITUTIONS

"SEC. 745. (a) With respect to loans made by a school under this subpart after June 30, 1985, each school, in order to carry out the provisions of sections 740 and 741, shall, at any time such school makes such a loan to a student under this subpart, provide thorough and adequate loan information on loans made under this subpart to the student. The loan information required to be provided to the student by this subsection shall include—

"(1) the yearly and cumulative maximum amounts that may be borrowed by the students;

"(2) the terms under which repayment of the loan will begin;

"(3) the maximum number of years in which the loan must be repaid;

"(4) the interest rate that will be paid by the borrower and the minimum amount of the required monthly payment;

"(5) the amount of any other fees charged to the borrower by the lender;

"(6) any options the borrower may have for deferral, cancellation, prepayment, consolidation, or other refinancing of the loan;

"(7) a definition of default on the loan and a specification of the consequences which will result to the borrower if the borrower defaults, including a description of any arrangements which may be made with credit bureau organizations;

"(8) to the extent practicable, the effect of accepting the loan on the eligibility of the borrower for other forms of student assistance; and

"(9) a description of the actions that may be taken by the Federal Government to collect the loan, including a description of the type of information concerning the borrower that the Federal Government may disclose to officers, employees, or agents of the Department of Health and Human Services, officers, employees, or agents of schools with which the Secretary has an agreement under this subpart, or any other person involved in the collection of a loan under this subpart.

"(b) Each school shall, immediately prior to the graduation from such school of a student who received a loan under this subpart after June 30, 1985, provide such student with a statement specifying—

"(1) each amount borrowed by the student under this subpart;

"(2) the total amount borrowed by the student under this subpart; and

"(3) a schedule for the repayment of the amounts borrowed under this subpart, including the number, amount, and frequency of payments to be made.

"PROCEDURES FOR APPEAL OF TERMINATIONS

"SEC. 746. In any case in which the Secretary intends to terminate an agreement with a school under this subpart, the Secretary shall provide the school with a written notice specifying such intention and stating that the school may request a formal hearing with respect to such termination. If the school requests such a hearing within 30 days after the receipt of such notice, the Secretary shall

provide such school with a hearing conducted by an administrative law judge.".

SCHOLARSHIPS FOR FIRST-YEAR STUDENTS OF EXCEPTIONAL FINANCIAL NEED

SEC. 130. (a) Section 758(b) (42 U.S.C. 294z) is amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) A scholarship provided to a student for a school year under a grant under subsection (a) shall consist of—

"(A) payment to, or (in accordance with paragraph (4)) on behalf of, the student of the amount (except as provided in section 710) of—

"(i) the tuition of the student in such school year; and

"(ii) all other reasonable educational expenses, including fees, books, and laboratory expenses, incurred by the student in such school year; and

"(B) payment to the student of a stipend of $400 per month (adjusted in accordance with paragraph (5)) for each of the 12 consecutive months beginning with the first month of such school year.

"(3) Notwithstanding paragraph (2), the total scholarship award to a student for each year shall not exceed the cost of attendance for that year at the educational institution attended by the student (as determined by such educational institution).

"(4) The Secretary may contract with an educational institution in which is enrolled a student who has received a scholarship with a grant under subsection (a) for the payment to the educational institution of the amounts of tuition and other reasonable educational expenses described in paragraph (2)(A). Payment to such an educational institution may be made without regard to section 3324 of title 31, United States Code.

"(5) The amount of the monthly stipend, specified in paragraph (2)(B) and as previously adjusted (if at all) in accordance with this paragraph, shall be increased by the Secretary for each school year by an amount (rounded to the next highest multiple of $1) equal to the amount of such stipend multiplied by the overall percentage (as set forth in the report transmitted to the Congress under section 5305 of title 5, United States Code) of the adjustment (if such adjustment is an increase) in the rates of pay under the General Schedule made effective in the fiscal year in which such school year ends."

(b) Section 338A(g)(1) (42 U.S.C. 2541 (g)(1)) is amended by striking out "or under section 758 (relating to scholarships for first-year students of exceptional financial need),".

CAPITATION GRANTS FOR SCHOOLS OF PUBLIC HEATH

SEC. 131. (a)(1) Section 770 (42 U.S.C. 295f) is amended to read as follows:

"CAPITATION GRANTS FOR SCHOOLS OF PUBLIC HEALTH

"SEC. 770. (a)(1) The Secretary shall make annual grants to schools of public health for the support of the education programs

of such schools. The amount of the annual grant to each such school with an approved application shall be computed for each fiscal year in accordance with paragraphs (2) and (3).

"(2) Each school of public health shall receive for the fiscal year ending September 30, 1985, and for each of the next two fiscal years, an amount equal to the product of—

"(A) $1,400, and

"(B) the sum of (i) the number of full-time students enrolled in degree programs in such school in the school year beginning in such fiscal year, and (ii) the number of full-time equivalents of part-time students enrolled in degree programs in such school, determined pursuant to paragraph (3), for such school for such school year.

"(3) For purposes of paragraph (2), the number of full-time equivalents of part-time students for a school of public health for any school year is a number equal to—

"(A) the total number of credit hours of instruction in such year for which part-time students of such school, who are pursuing a course of study leading to a graduate degree in public health or an equivalent degree, have enrolled, divided by

"(B) the greater of (i) the number of credit hours of instruction which a full-time student of such school was required to take in such year, or (ii) 9,

rounded to the next highest whole number.

"(b) Notwithstanding subsection (a), if the aggregate of the amounts of the grants to be made in accordance with such subsection for any fiscal year to schools of public health with approved applications exceeds the total of the amounts appropriated for such grants for such schools under subsection (e), the amount of a school's grant shall for such fiscal year be an amount which bears the same ratio to the amount determined for the school under subsection (a) as the total of the amounts appropriated for that year under subsection (e) for grants to schools of public health bears to the amount required to make grants in accordance with subsection (a) to each of the schools of public health with approved applications.

"(c)(1) For purposes of this section, regulations of the Secretary shall include provisions relating to the determination of the number of students enrolled in a school or in a particular year-class in a school on the basis of estimates, on the basis of the number of students who in an earlier year were enrolled in a school or in a particular year-class, or on such other basis as the Secretary deems appropriate for making such determination, and shall include methods of making such determination when a school or a year-class was not in existence in an earlier year at a school.

"(2) For purposes of this section, the term 'full-time students' (whether such term is used by itself or in connection with a particular year-class) means students pursuing a full-time course of study leading to a graduate degree in public health or equivalent degree.

"(d) In the case of a new school of public health which applies for a grant under this section in the fiscal year preceding the fiscal year in which it will admit its first class, the enrollment for purposes of subsection (a) shall be the number of full-time students which the Secretary determines, on the basis of assurances provided by the

school, will be enrolled in the school, in the fiscal year after the fiscal year in which the grant is made.

"(e) For payments under this section, there are authorized to be appropriated $5,000,000 for the fiscal year ending September 30, 1985, and for each of the two succeeding fiscal years.".

(2) Section 731(a)(1)(A)(ii) (42 U.S.C. 294d(a)(1)(A)(ii)) is amended by striking out "(as defined in section 770(c)(2))" and inserting in lieu thereof "(as defined in section 770(c)(2) (as such section was in effect on September 30, 1984))".

(b) Section 771 (42 U.S.C. 295F-1) is amended to read as follows:

"ELIGIBILITY FOR CAPITATION GRANTS

"SEC. 771. (a)(1) The Secretary shall not make a grant under section 770 to any school of public health in a fiscal year beginning after September 30, 1984, unless the application for the grant contains, or is supported by, assurances satisfactory to the Secretary that—

"(A) the enrollment of full-time equivalent students enrolled in degree programs in the school in the school year beginning in the fiscal year in which the grant applied for is to be made will not be less than the enrollment of such students in degree programs in the school in the school year beginning in the fiscal year ending September 30, 1983; and

"(B) the applicant will expend in carrying out its functions as a school of public health during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the fiscal year preceding the fiscal year for which such grant is sought.

"(2) For purposes of subsection (a)(1)(A), the number of full-time equivalent students enrolled in a degree program in a school, in a school year, is equal to the sum calculated under section 770(a)(2)(B) for that school year.

"(b) The Secretary may waive (in whole or in part) application to a school of public health of the requirement of subsection (a)(1)(A) if the Secretary determines, after receiving the written recommendation of the appropriate accredition body or bodies (approved for such purpose by the Commissioner of Education) that compliance by such school with such requirement will prevent it from maintaining its accreditation.".

(c)(1) Section 772(b) (42 U.S.C. 295f-2 (b)) is amended—

(A) by striking out "or subsection (a) or (b) of section 788";

(B) by striking out "of medicine, osteopathy, dentistry, public health, veterinary medicine, optometry, pharmacy, or podiatry," and inserting in lieu thereof "public health,";

(C) by striking out "Secretary" each place it appears and inserting in lieu thereof "Secretary of Health and Human Services";

(D) by striking out "Commissioner of Education" and inserting in lieu thereof "Secretary of Education"; and

(E) by striking out "Commissioner" each place it appears and inserting in lieu thereof "Secretary of Education".

(2) The section heading for section 772 (42 U.S.C. 295f-2) is amended to read as follows:

"APPLICATIONS FOR CAPITATION GRANTS"

(d) The heading for part E of title VII is amended to read as follows:

"PART E—GRANTS TO IMPROVE THE QUALITY OF SCHOOLS OF PUBLIC HEALTH"

DEPARTMENTS OF FAMILY MEDICINE

SEC. 132. Section 780 (42 U.S.C. 295g) is amended by redesignating subsection (c) (as amended by section 104 of this Act) as subsection (d) and by inserting after subsection (b) the following:

"(c) In making grants under subsection (a), the Secretary shall give priority to applicants that demonstrate to the satisfaction of the Secretary a commitment to family medicine in their medical education training programs.".

AREA HEALTH EDUCATION CENTERS

SEC. 133. (a) Section 781(a)(2) (42 U.S.C. 295g–1 (a)(2)) is amended by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively and by striking out all that precedes clause (i) (as so redesignated) and inserting in lieu thereof the following:

"(2)(A) The Secretary shall enter into contracts with schools of medicine and osteopathy—

"(i) which have previously received Federal financial assistance for an area health education center program under section 802 of the Health Professionals Educational Assistance Act of 1976 in fiscal year 1979 or under paragraph (1), or

"(ii) which are receiving assistance under paragraph (1),

to carry out projects described in subparagraph (B) through area health education centers for which Federal financial assistance was provided under paragraph (1) and which are no longer eligible to receive such assistance.

"(B) Projects for which assistance may be provided under subparagraph (A) are—".

(b) The last sentence of section 781(g) (42 U.S.C. 295g–1 (g)) is amended by striking out "may" and inserting in lieu thereof "shall".

(c) Section 781(d)(2)(F) is amended to read as follows:

"(F) conduct interdisciplinary training and practice involving physicians and other health personnel including, where practicable, physician assistants and nurse practitioners;".

GENERAL INTERNAL MEDICINE AND GENERAL PEDIATRICS

SEC. 134. Section 784 (42 U.S.C. 295g–3) is amended by redesignating subsection (b) (as amended by section 107 of this Act) as subsec-

tion (c) and by inserting after subsection (a) the following new subsection:

"(b) In making grants and entering into contracts under subsection (a), the Secretary shall give priority to applicants that demonstrate to the satisfaction of the Secretary a commitment to general internal medicine and general pediatrics in their medical education training programs.".

FAMILY MEDICINE AND GENERAL DENTISTRY

SEC. 135. (a) Section 786(b) (42 U.S.C. 295g–6 (b)) is amended—

(1) by inserting "or an approved advanced educational program in the general practice of dentistry" before the semicolon in paragraph (1); and

(2) by striking out "residents" in paragraph (2) and inserting in lieu thereof "participants".

(b) Section 786 (42 U.S.C. 295g–6) is amended by redesignating subsection (c) (as amended by section 108 of this Act) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c) In making grants under subsection (a), the Secretary shall give priority to applicants that demonstrate to the satisfaction of the Secretary a commitment to family medicine in their medical education training programs.".

(c) Section 786(d) (42 U.S.C. 295g–6 (d) (as amended by section 108 of this Act and redesignated by subsection (b) of this section) is further amended by inserting before the period in the second sentence a comma and "and shall obligate not less than 7.5 percent of such amounts in each fiscal year for grants under subsection (b)".

EDUCATIONAL ASSISTANCE TO INDIVIDUALS FROM DISADVANTAGED BACKGROUNDS

SEC. 136. (a) Section 787 (a) (1) (42 U.S.C. 295g–7 (a) (1) is amended—

(1) by inserting "chiropractic," after "allied health,"; and

(2) by inserting after "podiatry" a comma and "public and nonprofit private schools which offer graduate programs in clinical psychology,".

(b) Section 787 (a) (2) (42 U.S.C. 295g–7 (a) (2)) is amended by inserting after subparagraph (E) the following: "The term 'regular course of education of such a school' as used in subparagraph (D) includes a graduate program in clinical psychology.".

SPECIAL PROJECTS

SEC. 137. (a) (1) Section 788 (a) (1) (42 U.S.C. 295g–8 (a) (1)) is amended to read as follows:

"(a) (1) The Secretary may make grants to maintain and improve schools which provide the first or last two years of education leading to the degree of doctor of medicine or osteopathy. Grants provided under this paragraph to schools which were in existence on September 30, 1984, may be used for construction and the purchase of equipment.".

(2) Paragraph (2) of section 788 (a) (42 U.S.C. 295g–8 (a)) is repealed and paragraph (3) of such section is redesignated as paragraph (2).

(3) Section 788 (a) (2) (as so redesignated) is amended by inserting "or last" after "the first", by iserting "or osteopathy" after "medicine" and by inserting "or be operated jointly with a school that is accredited by" after "accredited by".

(b) Section 788(b) (42 U.S.C. 295g–8) (b)) is amended to read as follows:

"(b)(1) The Secretary may make grants to and enter into contracts with any health profession, allied health profession, or nurse training institution, or any other public or nonprofit private entity for projects in areas such as—

"(A) health promotion and disease prevention;

"(B) curriculum development and training in health policy and policy analysis, including curriculum development and training in areas such as—

"(i) the organization, delivery, and financing of health care;

"(ii) the determinants of health and the role of medicine in health; and

"(iii) the promotion of economy in health professions teaching, health care practice, and health care systems management;

"(C) curriculum development in clinical nutrition;

"(D) the development of initiatives for assuring the competence of health professionals; and

"(E) curriculum and program development and training in applying the social and behavioral sciences to the study of health and health care delivery issues.

"(2)(A) Of the amounts available for grants and contracts under this subsection from amounts appropriated under subsection (g)(1), at least 75 percent shall be obligated for grants to and contracts with health professions institutions, allied health institutions, and nurse training institutions.

"(B) Any application for a grant or contract to institutions described in subparagraph (A) shall be subject to appropriate peer review by peer review groups composed principally of non-Federal experts.

"(C) The Secretary may not approve an application for a grant or contract to an institution described in subparagraph (A) unless the Secretary has received recommendations with respect to such application from the appropriate peer review group required under subparagraph (A) and from the National Advisory Council on Health Professions Education.

"(3) Of the amounts available for grants and contracts under this subsection from amounts appropriated under subsection (g) (1), not more than 25 percent shall be obligated for grants to and contracts with public and nonprofit entities which are not health professions institutions, allied health institutions, or nurse training institutions.".

(c) Section 788(d) (42 U.S.C. 295g–8 (d)) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively;

(2) by inserting "(1)" before "The";

(3) by striking out "with schools of medicine or osteopathy or other appropriate public or nonprofit private entities to assist in meeting the costs of such schools or entities" and inserting in lieu thereof "with accredited health professions schools referred to in section 701(4) or 701(10) to assist in meeting the costs of such schools";

(4) by amending subparagraph (A) (as redesignated by paragraph (1) of this subsection) to read as follows:

"(A) improve the training of health professionals in geriatrics, develop and disseminate curriculum relating to the treatment of the health problems of the elderly, expand and strengthen instruction in such treatment, support the training and retraining of faculty to provide such instruction, and support continuing education of health professionals in such treatment; and"; and

(5) by adding at the end thereof the following new paragraph:

"(2) (A) Any application for a grant or contract under this subsection shall be subject to appropriate peer review by peer review groups composed principally of non-Federal experts.

"(B) The Secretary may not approve an application for a grant or contract under this subsection unless the Secretary has received recommendations with respect to such application from the appropriate peer review group required under subparagraph (A) and from the National Advisory Council on Health Professions Education.".

(d) Section 788 (42 U.S.C. 295g–8) is amended by redesignating subsection (f) (as amended by section 110 of this Act) as subsection (g) and by inserting after subsection (e) the following:

"(f) The Secretary may make grants to schools of veterinary medicine for (1) the development of curriculum for training in the care of animals used in research, the treatment of animals while being used in research, and the development of alternatives to the use of animals in research, (2) the provision of such training, and (3) large animal care and research.".

(e) The heading for section 788 (42 U.S.C. 295g–8) is amended to read as follows:

"TWO-YEAR SCHOOLS OF MEDICINE, INTERDISCIPLINARY TRAINING, AND CURRICULUM DEVELOPMENT".

ADVANCED FINANCIAL DISTRESS ASSISTANCE

SEC. 138. Subsections (b) (1) and (f) of section 788B (42 U.S.C. 295g–8b) are each amended by striking out "five" and inserting in lieu thereof "six".

GRADUATE PROGRAMS IN HEALTH ADMINISTRATION

SEC. 139. Section 791(c)(2)(A)(i) (42 U.S.C. 295h (c) (2) (A) (i)) is amended by inserting before the semicolon a comma and "except that in any case in which the number of minority students enrolled in the graduate educational programs of such entity in such school year exceeds an amount equal to 45 percent of the number of all students enrolled in such programs in such school year, such applica-

tion shall only be required to contain assurances that at least 20 individuals will complete such programs in such school year".

PROGRAM ELIMINATIONS

SEC. 140. (a) Section 703 (42 U.S.C. 292c) is repealed.

(b) Part D of title VII is repealed.

(c) Section 782 (42 U.S.C. 295g–2) is repealed.

(d) Section 785 (42 U.S.C. 295g–5) is repealed.

(e)(1) Section 788A (42 U.S.C. 295g–8a) is repealed.

(2) The second sentence of section 788B(a) (42 U.S.C. 295g–8b (a)) is amended by inserting "(as such section was in effect prior to October 1, 1984)" after "section 788A".

(3) Section 788B(f) (42 U.S.C. 295g–8b (f)) (as amended by section 138 of this Act) is further amended by striking out the last sentence.

(4) Section 788B(h) (42 U.S.C. 295g–8b(h)) (as amended by section 111 of this Act) is further amended—

(A) by striking out "and section 788A" in the first sentence; and

(B) by striking out the second sentence.

(f) Section 789 is (42 U.S.C. 295g–9) is repealed.

ANALYSIS OF FINANCIAL DISINCENTIVES TO CAREER CHOICES IN HEALTH PROFESSIONS

SEC. 141. The Secretary of Health and Human Services shall include in the report required to be submitted on October 1, 1985, pursuant to section 708(d)(2) of the Public Health Service Act—

(1) an analysis of any financial disincentive to graduates of health professions schools which affects the specialty of practice chosen by such graduates or the decision of such graduates to practice their profession in an area which lacks an adequate number of health care professionals; and

(2) recommendations for legislation and administrative action to correct any disincentives which are identified pursuant to clause (1) and which are contrary to the achievement of national health goals, including recommendations concerning the appropriateness of providing financial assistance to mitigate such disincentives.

STUDY ON COMPLIANCE WITH SELECTIVE SERVICE ACT

SEC. 142. The Secretary of Health and Human Services, in cooperation with the Director of Selective Service, shall conduct a study to determine if health professions schools are engaged in a pattern or practice or failure to comply with section 12(f) of the Military Selective Service Act (50 U.S.C. App. 462(f)) (or regulations issued under such section) or are engaged in a pattern or practice of providing loans or work assistance to persons who are required to register under section 3 of such Act (and any proclamation of the President and regulations prescribed under that section) and have not so registered. The Secretary shall complete the study and report its results to the Congress not later than one year after the date of enactment of this Act.

TITLE II—NURSE EDUCATION

SPECIAL PROJECTS

SEC. 201. (a) Section 820(a) (42 U.S.C. 296k(a)) is amended—

(1) by striking out "or" after the semicolon in paragraph (4);

(2) by striking out the period at the end of paragraph (5) and inserting in lieu thereof a semicolon; and

(3) by inserting after paragraph (5) the following:

"(6) demonstrate clinical nurse education programs which combine educational curricula and clinical practice in health care delivery organizations, including acute care facilities, long-term care facilities, and ambulatory care facilities;

"(7) demonstrate methods to improve access to nursing services in noninstitutional settings through support of nursing practice arrangements in communities; or

"(8) demonstrate methods to encourage nursing graduates to practice in health manpower shortage areas (designated under section 332) in order to improve the specialty and geographical distribution of nurses in the United States.".

(b) Section 820(d) (42 U.S.C. 296k (d)) is amended—

(1) by striking out the first sentence and inserting in lieu thereof: "(1) For payments under grants and contracts under paragraphs (1) through (5) of subsection (a), there are authorized to be appropriated $13,000,000 for the fisal year ending September 30, 1985, $14,000,000 for the fiscal year ending September 30, 1986, and $14,900,000 for the fiscal year ending September 30, 1987.";

(2) by striking out "this subsection" in the second sentence and inserting in lieu thereof "this paragraph";

(3) by striking out "1981," in such sentence and inserting in lieu thereof "1984,"; and

(4) by adding at the end thereof the following new paragraph:

"(2) For payments under grants and contracts under paragraphs (6), (7), and (8) of subsection (a), there are authorized to be appropriated $5,000,000 for the fiscal year ending September 30, 1985, $5,350,000 for the fiscal year ending September 30, 1986, $5,800,000 for the fiscal year ending September 30, 1987. In making grants and entering into contracts with amounts appropriated under this paragraph, the Secretary shall give priority to applications for grants and contracts under paragraph (7) of subsection (a).".

ADVANCED NURSE EDUCATION

SEC. 202. Section 281 (42 U.S.C. 2961) is amended to read as follows:

"ADVANCED NURSE EDUCATION

"SEC. 821. (a) The Secretary may make grants to and enter into contracts with public and private nonprofit collegiate schools of nursing to meet the costs of projects to—

"(1) plan, develop, and operate,

"(2) expand, or

"(3) maintain,

programs which lead to masters' and doctoral degrees and which prepare nurses to serve as nurse educators, administrators, or researchers or to serve in clinical nurse specialties determined by the Secretary to require advanced education.

"(b) For payments under grants and contracts under this section, there are authorized to be appropriated $17,500,000 for the fiscal year ending September 30, 1985, $18,900,000 for the fiscal year ending September 30, 1986, and $20,300,000 for the fiscal year ending September 30, 1987.".

NURSE PRACTITIONER AND NURSE MIDWIFE PROGRAMS

SEC. 203. (a)(1) Paragraph (1) of section 822(a) (42 U.S.C. 296m (a)) is amended to read as follows:

"(1) The Secretary may make grants to and enter into contracts with public or nonprofit private schools of nursing and public health, public or nonprofit private schools of medicine which received grants or contracts under this subsection prior to October 1, 1984, public or nonprofit private hospitals, and other public or nonprofit private entities to meet the cost of projects to—

"(A) plan, develop, and operate,

"(B) expand, or

"(C) maintain,

programs for the education of nurse practitioners and nurse midwives. The Secretary shall give special consideration to applications for grants or contracts for programs for the education of nurse practitioners and nurse midwives who will practice in health manpower shortage areas (designated under section 332) and for the education of nurse practitioners which emphasize education respecting the special problems of geriatric patients and education to meet the particular needs of nursing home patients and patients who are confined to their homes.".

(2) Paragraph (2) of such section is amended—

(A) by striking out subparagraph (A) and inserting in lieu thereof the following:

"(A) For purposes of this section, the term 'programs for the education of nurse practitioners and nurse midwives' means educational programs for registered nurses (irrespective of the type of school of nursing in which the nurses received their training) which meet guidelines prescribed by the Secretary in accordance with subparagraph (B) and which have as their objective the education of nurses (including pediatric and geriatric nurses) who will, upon completion of their studies in such programs, be qualified to effectively provide primary health care, including primary health care in homes and in ambulatory care facilities, long-term care facilities (where appropriate), and other health care institutions.";

(B) by striking out "training" in the first sentence of subparagraph (B) and inserting in lieu thereof "education"; and

(C) by inserting "and nurse midwives" before the period in the first sentence of subparagraph (B).

(b) Section 822 (b) (42 U.S.C. 295m (b)) is amended—

(1) by striking out "nursing, medicine, and public health," in paragraph (1) and inserting in lieu thereof "nursing and public

health, schools of medicine which received grants or contracts under this subsection prior to October 1, 1984,";

(2) by inserting "and nurse midwives" before the period in the first sentence of paragraph (1);

(3) by inserting "or nurse midwife" after "practitioner" in paragraph (3); and

(4) by inserting "or in a public health care facility" before "for a period" in paragraph (3).

(c) Section 822 (c) (42 U.S.C. 296m (c)) is amended—

(1) by striking out "training" and inserting in lieu thereof "education"; and

(2) by inserting "and nurse midwives" after "nurse practitioners".

(d) Section 822 (42 U.S.C. 296m) is further amended by striking out subsection (d) and by redesignating subsection (e) as subsection (d).

(e) Section 822(d) (as redesignated by subsection (d) of this section) is amended to read as follows:

"(d) For payments under grants and contracts under this section, there are authorized to be appropriated $16,500,000 for the fiscal year ending September 30, 1985 $17,800,000 for the fiscal year ending September 30, 1986, and $19,100,000 for the fiscal year ending September 30, 1987.".

(f) The heading for section 822 (42 U.S.C. 296m) is amended to read as follows:

"NURSE PRACTITIONER AND NURSE MIDWIFE PROGRAMS".

TRAINEESHIPS FOR ADVANCED EDUCATION OF PROFESSIONAL NURSES

SEC. 204. (a) Paragraph (1) of section 830(a) (42 U.S.C. 297(a)) is amended to read as follows:

"(1)(A) The Secretary may make grants to public or nonprofit private schools of nursing and public health, public or nonprofit private hospitals, and other public or nonprofit private entities to cover the cost of traineeships for nurses in masters' degree and doctoral degree programs in order to educate such nurses to—

"(i) serve in and prepare for practice as nurse practitioners,

"(ii) serve in and prepare for practice as nurse administrators, nurse educators, and nurse researchers, or

"(iii) serve in and prepare for practice in other professional nursing specialities determined by the Secretary to require advanced education.

"(B) The Secretary may make grants to public and private nonprofit schools of nursing and appropriate public and private nonprofit entities to cover the cost of traineeships to educate nurses to serve in and prepare for practice as nurse midwives.".

(b) Section 830 (42 U.S.C. 297) is further amended—

(1) by redesignating subsection (b) as subsection (c);

(2) by striking out the first sentence of such subsection and inserting in lieu thereof the following:

"(1) There are authorized to be appropriated for the purposes of subsection (a), $15,250,000 for the fiscal year ending September 30,

1985, $16,500,000 for the fiscal year ending September 30, 1986, and $17,700,000 for the fiscal year ending September 30, 1987.";

(3) by striking out the second sentence of such subsection;

(4) by adding at the end of such subsection the following new paragraph:

"(2) To carry out subsection (b), there are authorized to be appropriated $1,500,000 for the fiscal year ending September 30, 1985, $1,600,000 for the fiscal year ending September 30, 1986, and $1,750,000 for the fiscal year ending September 30, 1987.";

(5) by inserting after subsection (a) the following new subsection:

"(b) The Secretary may make grants to public or private nonprofit schools of nursing to cover the costs of post baccalaureate fellowships for faculty in such schools to enable such faculty to--

"(1) investigate cost-effective alternatives to traditional health care modalities, with special attention to the needs of at-risk populations, such as the elderly, premature infants, physically and mentally disabled individuals, and ethnic and minority groups;

"(2) examine nursing interventions that result in positive outcomes in health status, with attention to interventions which address family violence, drug and alcohol abuse, the health of women, adolescent care, and disease prevention; and

"(3) address other areas of nursing practice considered by the Secretary to require additional study."; and

(6) by striking out "TRAINING" in the section heading and inserting in lieu thereof "EDUCATION".

NURSE ANESTHETISTS

SEC. 205. (a) Section 831(a)(1) (42 U.S.C. 297-1(a)(1)) is amended by striking out "Commissioner" and inserting in lieu thereof "Secretary".

(b) Section 831 (42 U.S.C. 297-1) is further amended by redesignating subsection (b) as subsection (c) and by inserting after subsection (a) the following new subsection:

"(b) The Secretary may make grants to public or private nonprofit institutions to cover the cost of projects to improve existing programs for the education of nurse anesthetists which are accredited by an entity or entities designated by the Secretary of Education. Such grants shall include grants to such institutions for the purpose of providing financial assistance and support to certified registered nurse anesthetists who are faculty members of accredited programs to enable such nurse anesthetists to obtain advanced education relevant to their teaching functions.".

(c) Section 831(c) (as redesignated by subsection (b) of this section) is amended to read as follows:

"(c) For the purpose of making grants under this section, there are authorized to be appropriated $1,000,000 for the fiscal year ending September 30, 1985, $1,125,000 for the fiscal year ending September 30, 1986, and $1,500,000 for the fiscal year ending September 30, 1987. Not more than 20 percent of the amount appropriated under this section for any fiscal year shall be obligated for grants under the second sentence of subsection (b).".

(d) The section heading for such section is amended by striking out "TRAINEESHIPS FOR TRAINING OF".

STUDENT LOANS

SEC. 206. (a) Section 838 (42 U.S.C. 297d) is amended by striking out subsections (a) and (b) and inserting in lieu thereof the following:

"(a)(1) The Secretary shall from time to time set dates by which schools of nursing must file applications for Federal capital contributions.

"(2)(A) If the total of the amounts requested for any fiscal year in such applications exceeds the total amount appropriated under section 837 for that fiscal year, the allotment from such total amount to the loan fund of each school of nursing shall be reduced to whichever of the following is the smaller:

"(i) The amount requested in its application.

"(ii) An amount which bears the same ratio to the total amount appropriated as the number of students estimated by the Secretary to be enrolled on a full-time basis in such school during such fiscal year bears to the estimated total number of students enrolled in all such schools on a full-time basis during such year.

"(B) Amounts remaining after allotment under subparagraph (A) shall be reallotted in accordance with clause (ii) of such subparagraph among schools whose applications requested more than the amounts so allotted to their loan funds, but with such adjustments as may be necessary to prevent the total allotted to any such school's loan fund under this paragraph and paragraph (3) from exceeding the total so requested by it.

"(3) Funds which, pursuant to section 839(c) or pursuant to a loan agreement under section 835, are returned to the Secretary in any fiscal year, shall be available for allotment in such fiscal year and in the fiscal year succeeding such fiscal year. Funds described in the preceding sentence shall be allotted among schools of nursing in such manner as the Secretary determines will best carry out this subpart, except that in making such allotments, the Secretary shall give priority to schools of nursing which established student loan funds under this subpart after September 30, 1975.

"(b) Allotments to a loan fund of a school shall be paid to it from time to time in such installments as the Secretary determines will not result in unnecessary accumulations in the loan fund at such school.".

(b) Section 839 (42 U.S.C. 297e) is amended—

(1) by striking out "1987," each place it appears in subsections (a) and (b) and inserting in lieu thereof "1990,"; and

(2) by adding at the end thereof the following new subsection:

"(c)(1) Within 90 days after the termination of any agreement with a school under section 835 or the termination in any other manner of a school's participation in the loan program under this subpart, such school shall pay to the Secretary from the balance of the loan fund of such school established under section 835, an amount which bears the same ratio to the balance in such fund on the date of such termination as the total amount of the Federal capital contributions to such fund by the Secretary pursuant to section

835(b)(2)(A) bears to the total amount in such fund on such date derived from such Federal capital contributions and from funds deposited in the fund pursuant to section 835(b)(2)(B). The remainder of such balance shall be paid to the school.

"(2) A school to which paragraph (1) applies shall pay to the Secretary after the date on which payment is made under such paragraph and not less than quarterly, the same proportionate share of amounts received by the school after the date of termination referred to in paragraph (1) in payment of principal or interest on loans made from the loan fund as was determined for the Secretary under such paragraph.".

REPEALS

SEC. 207. (a) Sections 801, 802, 803, 805, 810, 811, and 815 (42 U.S.C. 296, 296a, 296b, 296d, 296e, 296f, and 296j) are repealed.

(b)(1) Part A of title VIII is amended by striking out the headings for subparts I, II, III, and IV.

(2) The heading for part A of the title VIII is amended to read as follows:

"PART A—SPECIAL PROJECTS".

(3) The heading for title VIII is amended to read as follows:

"TITLE VIII—NURSE EDUCATION".

(c)(1) Section 804 (42 U.S.C. 296c) is redesignated as section 858 and is amended to read as follows:

"RECOVERY FOR CONSTRUCTION ASSISTANCE

"SEC. 858. (a) If at any time within 20 years (or within such shorter period as the Secretary may prescribe by regulation for an interim facility) after the completion of construction of a facility with respect to which funds have been paid under subpart I of part A (as such subpart was in effect on September 30, 1984)—

"(1) the facility is sold or transferred to an entity which is not a public or nonprofit school or the owner shall cease to be a public or nonprofit school,

"(2) the facility shall cease to be used for the training purposes for which it was constructed, or

"(3) the facility is used for sectarian instruction or as a place for religious worship,

the United States shall be entitled to recover, whether from the transferor or the transferee (or, in the case of a facility which has ceased to be a public or nonprofit school or to be used for a purpose referred to in paragraph (2) or is used for sectarian instruction or religious worship, from the owners thereof) an amount determined under subsection (c).

"(b) The transferor of a facility which is sold or transferred as described in paragraph (1) of subsection (a), the owner of a facility which ceases to be a public or nonprofit school, or the owner of a facility the use of which is changed as described in paragraph (2) or (3) of subsection (a), shall provide the Secretary written notice of such sale, transfer, or change—

"(1) not later than—

"(A) ten days after the date on which such sale, transfer, or change of use occurs, in the case of a facility which is sold or transferred or the use of which changes on or after the date of the enactment of this subsection, or

"(B) thirty days after the date of the enactment of this subsection, in the case of a facility which was sold or transferred or the use of which changed before the date of the enactment of this subsection, or

"(2) if the Secretary determines that such notice with respect to such change should more appropriately be made in the annual report to the Secretary of the person required to provide such notice, in the first such report after such change.

"(c)(1) Except as provided in paragraph (2), the amount the United States shall be entitled to recover under subsection (a) is an amount bearing the same ratio to the then value (as determined by the agreement of the parties or in an action brought in the district court of the United States for the district for which the facility involved is situated) of so much of the facility as constituted an approved project or projects as the amount of the Federal participation bore to the cost of the construction of such project or projects.

"(2)(A) After the expiration of—

"(i) 180 days after the date of the sale, transfer, or change of use for which a notice is required by subsection (b) in the case of a facility which is sold or transferred or the use of which changes on or after the date of the enactment of this subsection, or

"(ii) thirty days after the date of enactment of this subsection or if later 180 days after the date of the sale, transfer, or change of use for which a notice is required by subsection (b), in the case of a faiclity which was sold or transferred or the use of which changed before the date of the enactment of this subsection, the amount which the United States is entitled to recover under paragraph (1) with respect to a facility shall be the amount prescribed by paragraph (1) plus interest, during the period described in subparagraph (B), at a rate (determined by the Secretary) based on the average of the bond equivalent of the weekly ninety-one-day Treasury bill auction rate.

"(B) The period referred to in subparagraph (A) is the period beginning—

"(i) in the case of a facility which was sold or transferred or the use of which changed before the date of the enactment of this subsection, thirty days after such date or if later 180 days after the date of the sale, transfer, or change of use for which a notice is required by subsection (b),

"(ii) in the case of a facility which was sold or transferred or the use of which changes on or after the date of enactment of this subsection, and with respect to which notice is provided in accordance with subsection (b), upon the expiration of 180 days after the receipt of such notice, or

"(iii) in the case of a facility which was sold or transferred or the use of which changes on or after the date of enactment of this subsection, and with respect to which such notice is not

provided as prescribed by subsection (b), on the date of the sale, transfer, or changes for which such notice was to be provided, and ending on the date the amount the United States is entitled to under paragraph (1) is collected.

"(d) The Secretary may waive the recovery rights of the United States under subsection (a)(2) with respect to a facility in any State if the Secretary determines, in accordance with regulations, that there is good cause for waiving such rights with respect to such facility.

"(e) The right of recovery of the United States under subsection (a) shall not constitute a lien on any facility with respect to which funds have been paid under this title.".

(2) Within one hundred and eighty days after the date of the enactment of this section, the Secretary shall have in effect regulations to carry out subsection (b) of section 858 of the Public Health Service Act (as added by the amendment made by subsection (a) of this section).

(d) Section 851(b) (42 U.S.C. 298(b)) is amended by striking out ", and in the review of applications for construction projects under subpart I of part A, of applications under section 805, and of applications under subpart III of part A".

(e) Section 853(1) (42 U.S.C. 298b(1)) is amended by striking out "the Canal Zone," and inserting in lieu thereof "the Commonwealth of the Northern Mariana Islands,".

(f) Section 853(6) (42 U.S.C. 298b(6)) is amended to read as follows:

"(6) The term 'accredited' when applied to any program of nurse education means a program accredited by a recognized body or bodies, or by a State agency, approved for such purpose by the Secretary of Education and when applied to a hospital, school, college, or university (or a unit thereof) means a hospital, school, college, or university (or a unit thereof) which is accredited by a recognized body or bodies, or by a State agency, approved for such purpose by the Secretary of Education, except that a school of nursing seeking an agreement under subpart II of part B for the establishment of a student loan fund, which is not, at the time of the application under such subpart, eligible for accreditation by such a recognized body or bodies or State agency, shall be deemed accredited for purposes of such subpart if the Secretary of Education finds, after consultation with the appropriate accreditation body or bodies, that there is reasonable assurance that the school will meet the accreditation standards of such body or bodies prior to the beginning of the academic year following the normal graduation date of students who are in their first year of instruction at such school during the fiscal year in which the agreement with such school is made under such subpart; except that the provisions of this clause shall not apply for purposes of section 838. For the purpose of this paragraph, the Secretary of Education shall publish a list of recognized accrediting bodies, and of State agencies, which the Secretary of Education determines to be reliable authority as to the quality of education offered.".

TITLE III—NATIONAL HEALTH SERVICE CORPS

AUTHORIZATIONS OF APPROPRIATIONS

SEC. 301. (a) Section 338(a) (42 U.S.C. 254K(a)) is amended by striking out "and" after "1983;" and by inserting before the period a semicolon and "$75,000,000 for the fiscal year ending September 30, 1985; $75,000,000 for the fiscal year ending September 30, 1986; and $75,000,000 for the fiscal year ending September 30, 1987".

"(b) Section 338F(a) (42 U.S.C. 254q(a)) is amended by striking out the last sentence and inserting in lieu thereof the following: "There are authorized to be appropriated—

"(1) for the fiscal year ending September 30, 1985, such sums as may be necessary to make three hundred and fifty new scholarship awards in accordance with section 338A(d) for such fiscal year;

"(2) for the fiscal year ending September 30, 1986, such sums as may be necessary to make four hundred new scholarship awards in accordance with such section for such fiscal year;

"(3) for the fiscal year ending September 30, 1987, such sums as may be necessary to make four hundred and twenty-five new scholarship awards in accordance with such section for such fiscal year; and

"(4) for each of the fiscal years ending September 30, 1985, September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990, such sums as may be necessary to continue to make scholarship awards to students who have entered into written contracts under the Scholarship Program before October 1, 1987.".

DESIGNATION OF HEALTH MANPOWER SHORTAGE AREAS

SEC. 302. Section 332(a)(1) (42 U.S.C. 254e(a)(1)) is amended by adding at the end thereof the following: "The Secretary shall not remove an area from the areas determined to be health manpower shortage areas under clause (A) of the preceding sentence until the Secretary has afforded interested persons and groups in such area an opportunity to provide data and information in support of the designation as a health manpower shortage area of a population group described in clause (B) of such sentence or a facility described in clause (C) of such sentence, and has made a determination on the basis of the data and information submitted by such persons and groups and other data and information available to the Secretary.".

OBLIGATED SERVICE

SEC. 303. Section 338B(b)(5) (42 U.S.C. 254m(b)(5)) is amended to read as follows:

"(5)(A) With respect to an individual receiving a degree from a school of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, or pharmacy, the date referred to in paragraphs (1) through (4) shall be the date upon which the individual completes the training required for such degree, except that—

"(i) at the request of such an individual with whom the Secretary has entered into a contract under section 338A prior to October

1, 1984, the Secretary shall defer such date until the end of the period of time (not to exceed the number of years specified in subparagraph (B) or such greater period as the Secretary, consistent with the needs of the Corps, may authorize) required for the individual to complete an internship, residency, or other advanced clinical training; and

"(ii) at the request of such an individual with whom the Secretary has entered into a contract under section 338A on or after October 1, 1984, the Secretary may defer such date in accordance with the provisions of clause (i).

"(B)(i) With respect to an individual receiving a degree from a school of medicine, osteopathy, or dentistry, the number of years referred to in subparagraph (A)(i) shall be three years.

"(ii) With respect to an individual receiving a degree from a school of veterinary medicine, optometry, podiatry, or pharmacy, the number of years referred to in subparagraph (A)(i) shall be one year.

"(C) No period of internship, residency, or other advanced clinical training shall be counted toward satisfying a period of obligated service under this subpart.

"(D) With respect to an individual receiving a degree from an institution other than a school referred to in subparagraph (A), the date referred to in paragraphs (1) through (4) shall be the date upon which the individual completes his academic training leading to such degree.".

PRIVATE PRACTICE

SEC. 304. (a) Section 338C(a)(2) (42 U.S.C. 254n(a)(2)) is amended by inserting before the period the following: "for which the Secretary has made the evaluation and determination described in section 333(a)(1)(D)".

(b) Section 338C(b) (42 U.S.C. 254n(b)) is amended by inserting at the end thereof the following: "The Secretary shall take such action as may be appropriate to assure that the conditions of the written agreement prescribed by this subsection are adhereed to.".

SPECIAL LOANS FOR CORPS MEMBERS TO ENTER PRIVATE PRACTICE

SEC. 305. (a) Subsections (a) and (b) of section 338E (42 U.C. 254p(a), (b)) are amended to read as follows:

"(a) The Secretary may, out of appropriations authorized under section 338, make one loan to a Corps member who has agreed in writing—

"(1) to engage in the private full-time clinical practice of his profession in a health manpower shortage area (designated under section 332) for a period of not less than two years which—

"(A) in the case of a Corps member who is required to complete a period of obligated service under this subpart, begins not later than one year after the date on which such individual completes such period of obligated service; and

"(B) in the case of an individual who is not required to complete a period of obligated service under this subpart, begins at such time as the Secretary considers appropriate;

"(2) to conduct such practice in accordance with the provisions of section 338C (b)(1); and

"(3) to such additional conditions as the Secretary may require to carry out the purposes of this section.

Such a loan shall be used to assist such individual in meeting the costs of beginning the practice of such individual's profession in accordance with such agreement, including the costs of acquiring equipment and renovating facilities for use in providing health services, and of hiring nurses and other personnel to assist in providing health services. Such loan may not be used for the purchase or construction of any building.

"(b) the amount of a loan under subsection (a) to an individual shall not exceed $25,000.".

(b) Subsection (c) of such section is amended by striking out "grant or" in the first sentence.

(c) Subsection (d)(1) of such section is amended by striking out "this section," and inserting in lieu thereof "this section (as in effect prior to October 1, 1984),".

(d) Section 338C (e) (42 U.S.C. 254p(e)) is amended by striking out paragraph (1) and by striking out "(2)" before "Upon".

PERSONNEL PLAN FOR THE NATIONAL HEALTH SERVICE CORPS

SEC. 306. (a) By October 1, 1985, the Secretary of Health and Human Services shall prepare and transmit to the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives a plan for the recruitment, employment, and retention of personnel for the National Health Service Corps which assures that—

(1) the Corps will continue to improve the delivery of health services in health manpower shortage areas (as designated by the Secretary under section 332 of the Public Health Service Act) during fiscal years 1988 through 1991; and

(2) during each such fiscal year, the total number of Corps members shall be the number the Secretary considers necessary to serve the demonstrated needs of health manpower shortage areas.

(b) The plan required by subsection (a) shall include alternative proposals for the recruitment, employment, and retention of personnel for the National Health Service Corps, estimates of the amounts that would be required to carry out each such proposal during each of the fiscal years with which the plan is concerned, and such recommendations for legislation and administrative action as the Secretary considers appropriate.

(c) The Secretary shall prepare the plan required by subsection (a) in consultation with State governments, voluntary organizations, and organizations representing health professionals.

TECHNICAL ASSISTANCE TO STATES

SEC. 307. (a) Section 332 (42 U.S.C. 254e) is amended by adding at the end thereof the following new subsection:

"(i) In order to assist a State in carrying out data collection and public information activities to enable the State to make recommendations regarding the designation of health manpower shortage

areas in the State, the Secretary may provide technical assistance of an appropriate nature to the State or, at the request of the State, to entities within the State.".

(b) Section 338 (42 U.S.C. 254k) (as amended by section 301(a) of this Act) is further amended by adding at the end thereof the following new subsection:

"(c) To carry out the purposes of section 332(i), there are authorized to be appropriated $500,000 for the fiscal year ending September 30, 1985, and for each of the two succeeding fiscal years.".

TITLE IV—HEALTH MAINTENANCE ORGANIZATIONS

ELIMINATION OF AUTHORIZATION OF SUPPORT FOR FEASIBILITY SURVEYS, PLANNING, AND INITIAL DEVELOPMENT COSTS

SEC. 401. (a) Sections 1303, 1304, and 1307(c) (42 U.S.C. 300e-2, 300e-3, and 300e-6(c)) are repealed.

(b) Section 1306 (42 U.S.C. 300e-5) is amended—

(1) by striking out "grant, contract, loan," each place it appears (except in subsection (b)(6)) and inserting in lieu thereof "loan",

(2) by striking out "in the case of an application for assistance under section 1303 or 1304, such application meets the application requirements of such section and in the case of an application for a loan or loan guarantee," in subsection (b)(1),

(3) by striking out "1304," in subsection (b)(2), and

(4) by striking out "grants, contracts, loans," in subsection (c) and inserting in lieu thereof "loans".

(c) Section 1307 (42 U.S.C. 300e-6) is amended—

(1) by striking out "grant, contract, loan," each place it appears and inserting in lieu thereof "loan",

(2) by striking out "grant, contract, or" in subsection (a)(1), and

(3) by striking out "such assistance" in subsection (a)(1) and inserting in lieu thereof "the loan".

(d) Section 1309(a) (42 U.S.C. 300e-8(a)) is amended—

(1) by striking out paragraph (1), and

(2) by striking out "(2)".

(e) The first sentence of section 1317(b) is amended—

(1) by striking out clause (1), and

(2) by redesignating clauses (2) and (3) as clauses (1) and (2), respectively.

(f) The amendments made by this section do not apply to any grant made or contract entered into under title XIII of the Public Health Service Act before October 1, 1984.

LIMITATION ON LOANS AND LOAN GUARANTEES FOR INITIAL COSTS OF OPERATION

SEC. 402. (a) The last sentence of section 1305(a) (42 U.S.C. 300e-4(a)) is amended by inserting before the period ", and unless the Secretary has made a grant or loan to, entered into a contract with, or granted a loan for, the organization in fiscal year 1981, 1982, 1983, or 1984 under this section or section 1304(b) (as in effect before October 1, 1984)".

(b) The amendment made by subsection (a) does not apply to any loan or loan guarantee for the initial costs of operation of a health maintenance organization made under title XIII of the Public Health Service Act before October 1, 1984.

ELIMINATION OF LOANS AND LOAN GUARANTEES FOR ACQUISITION AND CONSTRUCTION OF AMBULATORY CARE FACILITIES

SEC. 403. (a) Section 1305A (42 U.S.C. 300e-4a) is repealed.

(b) Section 1306(b)(2) (42 U.S.C. 300e-5(b)(2)) is amended by striking out "or 1305A,".

(c) The amendments made by this section do not apply to any loan or loan guarantee made under section 1305A of the Public Health Service Act before October 1, 1984.

REPEAL OF REQUIREMENT FOR HEALTH SYSTEMS AGENCY REVIEW

SEC. 404. Paragraph (5) of section 1306(b) (42 U.S.C. 300e-5 (b)) is repealed. Paragraphs (6), (7), and (8) are redesignated as paragraphs (5), (6), and (7), respectively.

LIMITATION ON BORROWING BY LOAN GUARANTEE FUND

SEC. 405. The first sentence of section 1308(d)(2) (42 U.S.C. 300e-7(d)(2)) is amended by inserting "before October 1, 1984," after "guarantees issued by him".

REPEAL OF REQUIREMENT OF PERIODIC DEMONSTRATION OF COMPLIANCE

SEC. 406. Section 1310(d) (42 U.S.C. 300e-9(d)) is amended by striking out the last sentence.

ANNUAL UPDATE OF STATE LAW DIGEST

SEC. 407. The first sentence of section 1311(c) (42 U.S.C. 300e-10(c)) is amended by striking out "quarterly" and inserting in lieu thereof "annually".

ELIMINATION OF UNNECESSARY REPORT

SEC. 408. Section 1318(e) (42 U.S.C. 300e-17(e)) is repealed.

AUTHORIZATION OF APPROPRIATIONS

SEC. 409. (a) Section 1309(a) (42 U.S.C. 300e-8(a)) (as amended by section 401(d) of this Act) is further amended by inserting before the period a comma and "and $400,000 for each of the fiscal years 1985, 1986, 1987, and 1988".

(b) Section 1309(b) (42 U.S.C. 300e-8(b)) is amended to read as follows:

"(b) To meet the obligations of the loan fund established under section 1308(e) resulting from defaults on loans made from the fund and to meet the other obligations of the fund, there is authorized to the appropriated to the loan fund for fiscal years 1985, 1986, 1987, and 1988, such sums as may be necessary.".

ORGAN TRANSPLANTS AS PART OF BASIC COVERAGE

SEC. 410. Section 1302(1) (42 U.S.C. 300e-1(1)) is amended by inserting before the last sentence the following new sentence: "Such term does not include any organ transplant, other than organ transplants required to be included in basic health services on the date of enactment of this sentence, unless the Secretary has published in the Federal Register a notice of the Secretary's proposal to include any other organ transplant, provided an opportunity for public comment on the proposal before its implementation, published in the Federal Register a final determination that such organ transplant is required to be provided, and provided a reasonable opportunity for health maintenance organizations to comply with the new requirement.".

TITLE V—PRIMARY CARE

MEDICALLY UNDERSERVED POPULATIONS

SEC. 501. Section 330(b) (42 U.S.C. 254c(b)) is amended—

(1) by striking out the second, third, fourth, and fifth sentences of paragraph (3); and

(2) by adding at the end thereof the following:

"(4) In carrying out paragraph (3), the Secretary shall by regulation prescribe criteria for determining the specific shortages of personal health services of an area or population group. Such criteria shall—

"(A) take into acccount comments received by the Secretary from the chief executive officer of a State and local officials in a State; and

"(B) include infant mortality in an area or population group, other factors indicative of the health status of a population group or residents of an area, the ability of the residents of an area or of a population group to pay for health services and their accessibility to them, and the availability of health professionals to residents of an area or to a population group.

"(5) The Secretary may not designate a medically underserved population in a State or terminate the designation of such a population unless, prior to such designation or termination, the Secretary provides reasonable notice and opportunity for comment and consults with—

"(A) the chief executive officer of such State;

"(B) local officials in such State; and

"(C) the State organization, if any, which represents a majority of community health centers in such State.

"(6) The Secretary may designate a medically underserved population that does not meet the criteria established under paragraph (4) if the chief executive officer of the State in which such population is located and local officials of such State recommend the designation of such population based on unusual local conditions which are a barrier to access to or the availability of personal health services.".

MEMORANDUM OF AGREEMENT

SEC. 502. Section 330 (42 U.S.C. 254c) is amended by redesignating subsection (g) as subsection (i) and by inserting after subsection (f) the following new subsection:

"(g) In carrying out this section, the Secretary may enter into a memorandum of agreeement with a State. Such memorandum may include, where appropriate, provisions permitting such State to—

"(1) analyze the need for primary health services for medically underserved populations within such State;

"(2) assist in the planning and development of new community health centers;

"(3) review and comment upon annual program plans and budgets of community health centers, including comments upon allocations of health care resources in the State;

"(4) assist community health centers in the development of clinical practices and fiscal and administrative systems through a technical assistance plan which is responsive to the requests of community health centers; and

"(5) share information and data relevant to the operation of new and existing community health centers.".

AUTHORIZATION OF APPROPRIATIONS

SEC. 503. (a) Paragraphs (1) and (2) of section 330(i) (as redesignated by section 502 of this Act) are amended to read as follows:

"(1) There are authorized to be appropriate for payments pursuant to grants under this section $375,000,000 for the fiscal year ending September 30, 1985, $405,000,000 for the fiscal year ending September 30, 1986, $437,000,000 for the fiscal year ending September 30, 1987, and $472,000,000 for the fiscal year ending September 30, 1988.

"(2) The Secretary may not in any fiscal year—

"(A) expend for grants to serve medically underserved populations designated under subsection (b)(6) an amount which exceeds 5 percent of the funds appropriated under this section for that fiscal year; and

"(B) expend for grants under subsection (d)(1)(C) an amount which exceeds 5 percent of the funds appropriated under this section for that fiscal year.".

STATE GRANTS FOR PRIMARY CARE RESEARCH, DEMONSTRATION, AND SERVICES

SEC. 504. (a) Part C of title XIX (42 U.S.C. 300y–300y–11) is repealed.

(b) Title XIX is amended by adding at the end thereof the following new part:

"PART C—STATE GRANTS FOR PRIMARY CARE RESEARCH, DEMONSTRATION, AND SERVICES

"PURPOSE; AUTHORIZATION OF APPROPRIATIONS

"SEC. 1921. (a) For the purpose of—

"(1) improving access to primary health services for medically underserved populations,

"(2) improving the delivery of primary health services to medically underserved populations, particularly the effectiveness, efficiency and quality of such services, and

"(3) improving the health status of such populations, through reductions in—

"(A) the incidence of preventable diseases and illnesses and premature death, and

"(B) the need for costly inpatient and long-term care services,

the Secretary shall make payments under allotments, in accordance with the provisions of this part, to States for the conduct of activities authorized by this part.

"(b) For allotments under this part, there are authorized to be appropriated $15,000,000 for fiscal year 1985, $17,500,000 for fiscal year 1986, $20,000,000 for fiscal year 1987, and $23,500,000 for fiscal year 1988.

"ALLOTMENTS

"SEC. 1922. (a)(1) Except as provided in paragraph (2), from the amounts appropriated under section 1921 for each fiscal year, the Secretary shall allot to each State an amount equal to the product of—

"(A) the total amount appropriated for such fiscal year, multiplied by

"(B) the ratio (stated as a percentage) that the total number of low-income persons residing in the State bears to the total number of low-income persons residing in the United States.

"(2) Notwithstanding paragraph (1)—

"(A) the total amount of the allotment for each of the several States, the District of Columbia, and Puerto Rico for each of the fiscal years 1985, 1986, 1987, and 1988 shall not be less than 1 percent of the total amount appropriated under section 1921 for such fiscal year;

"(B) the total amount of the allotment for each of the Virgin Islands, Guam, and the Trust Territory of the Pacific Islands for each such fiscal year shall not be less than one-fourth of 1 percent of the total amount appropriated under section 1921 for such fiscal year; and

"(C) the total amount of the allotment for each of American Samoa and the Commonwealth of the Northern Mariana Islands for each such fiscal year shall not be less than one-sixteenth of 1 percent of the total amount appropriated under section 1921 for such fiscal year.

"(b) To the extent that all the funds appropriated under section 1921 for a fiscal year and available for allotment in such fiscal year are not otherwise allotted to States because—

"(1) one or more States have not submitted an application or description of activities in accordance with section 1925 for such fiscal year;

"(2) one or more States have notified the Secretary that they do not intend to use the full amount of their allotment; or

"(3) some State allotments are offset or repaid under section 1906(b)(3) (as such section applies to this part pursuant to section 1925(e));

such excess shall be allotted among each of the remaining States in proportion to the amount otherwise allotted to such States for such fiscal year without regard to this subsection.

"(c)(1) If the Secretary—

"(A) receives a request from the governing body of an Indian tribe or tribal organization within any State that funds under this subpart be provided directly by the Secretary to such tribe or organization, and

"(B) determines that the members of such tribe or tribal organization would be better served by means of grants made directly by the Secretary under this subpart,

the Secretary shall reserve from amounts which would otherwise be allotted to such State under subsection (a) for a fiscal year the amount determined under paragraph (2).

"(2) The Secretary shall reserve for the purpose of paragarph (1) from amounts that would otherwise be allotted to such State under subsection (a) an amount equal to the amount which bears the same ratio to the State's allotment for the fiscal year involved under subsection (a) as the total number of low-income persons in the tribe during such fiscal year bears to total the number of low-income persons residing in the State during such fiscal year.

"(3) The amount reserved by the Secretary on the basis of a determination under this subsection shall be granted to the Indian tribe of tribal organization serving the persons for whom such a determination has been made.

"(4) In order for an Indian tribe or tribal organization to be eligible for a grant for a fiscal year under this subsection, it shall submit to the Secretary a plan for such fiscal year which meets such criteria as the Secretary may prescribe.

"PAYMENTS UNDER ALLOTMENTS TO STATES

"SEC. 1923. (a) For each fiscal year, the Secretary shall make payments, as provided by section 6503(a) of title 31, United States Code, to each State from its allotment under section 1922 from amounts appropriated for that fiscal year.

"(b)(1) Except as provided in paragraph (2), any amount paid to a State for a fiscal year and remaining unobligated at the end of such year shall remain available for the next fiscal year to such State if the Secretary determines that there is good cause for such funds remaining unobligated.

"(2) If the amount paid to State under this part for a fiscal year which remains unobligated at the end of such fiscal year exceeds 20 percent of the amount allotted to such State under section 1922 for such fiscal year, the amount of such excess shall not remain available for the next fiscal year to such State under paragraph (1) and shall be returned to the Treasury and credited as miscellaneous receipts.

"USE OF ALLOTMENTS

"SEC. 1924. (a) Amounts paid to a State under section 1923 from its allotment under section 1922 may be used to—

"(1) make grants to eligible entities to provide primary health services to medically underserved populations in the State; and

"(2) conduct, or make grants for the conduct of, research, demonstration, or the development of methods to evaluate—

"(A) alternative systems of reimbursement for primary health services;

"(B) new or innovative methods for the provision of primary health services;

"(C) methods of attracting and retaining primary health service providers (including physicians, dentists, physician assistants, nurse practitioners, and other health professionals), both individually and as teams, to train and practice among medically underserved populations;

"(D) different types of organizational models and relationships, including federations of providers of primary health services, designed to meet unique primary health and dental health service needs; and

"(E) methods of reducing long-term institutional costs by improving service connections between providers of primary health services and home and community-based services; or

"(F) such other matters which will enhance the availability or accessibility of primary health services.

"(b) (1) A State may not use funds alloted under section 1922 for the purposes of administering this part or administering an agreement under section 330 (g).

"(2) (A) Of the amounts paid to a State under section 1923 for each fiscal year—

"(i) not less than 80 percent shall be used to make grants under paragraph (1) of subsection (a); and

"(ii) not more than 20 percent may be used to conduct, or to make grants for the conduct of, activities described in paragraph (2) of subsection (a).

"(B) Not more than 10 percent of the amounts paid to a State under section 1923 for each fiscal year may be used for activities described in paragraph (2) of subsection (a) which are directly conducted by the State.

"(3) If a State makes a grant under paragraph (1) of subsection (a) for the provision of primary health services to a medically underserved population which is in the service area (determined in accordance with section 330(e)(3)(I)) of an entity which is a recipient of a grant under section 330, the State shall make such grant to such entity.

"(c) The Secretary may provide technical assistance to States in planning and operating activities to be carried out under this part.

"(d) A State may not use amounts paid to it under section 1923 to—

"(1) provide inpatient services;

"(2) make cash payments to intended recipients of health services;

"(3) purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment;

"(4) satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds; or

"(5) provide financial assistance to any entity other than a public or nonprofit private entity.

The Secretary may waive the limitation contained in paragraph (3) upon the request of a State if the Secretary finds that there are extraordinary circumstances to justify the waiver and that granting the waiver will assist in carrying out this part.

"APPLICATION AND DESCRIPTION OF ACTIVITIES; REQUIREMENTS

"SEC. 1925. (a) In order to receive an allotment for a fiscal year under section 1922 each State shall submit an application to the Secretary. Each such application shall be in such form and submitted by such date as the Secretary shall require. Each such application shall contain assurances that the legislature of the State has complied with the provisions of subsection (b) and that the State will meet the requirements of subsection (c).

"(b) After the expiration of the first fiscal year in which a State receives an allotment under section 1922, no funds shall be allotted to such State for any fiscal year under such section unless the legislature of the State conducts public hearings on the proposed use and distribution of funds to be provided under section 1923 for such fiscal year.

"(c) As part of the annual application required by subsection (a), the chief executive officer of each State shall certify that the State—

"(1) agrees to use the funds allotted to it under section 1922 in accordance with the requirements of this part;

"(2) has identified the populations, areas, and localities in the State with a need for the primary health services for which funds may be provided by the State under this part;

"(3) has established an appropriate mechanism to administer grants to be made under section 1924, and to comply with the requirements of this part;

"(4) will participate in the coordination of activities supported under this part with the activities of other providers of primary health services within the State (including entities which are recipients of grants under sections 329 and 330), to ensure that such activities are carried out in an effective manner and without duplication of effort;

"(5) will establish, after providing reasonable notice and opportunity for the submission of comments, reporting requirements and reasonable criteria to evaluate the fiscal, managerial, and clinical performance of entities which receive grants under section 1924;

"(6) will not require, for purposes of compliance with paragraph (5), entities which are recipients of grants under section 1924 and under section 329 or section 330 to comply with different reporting requirements and criteria than are required under section 329 or section 330, as the case may be; and

"(7) agrees that Federal funds made available under section 1923 for any period will be so used as to supplement and increase the level of State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for the programs and activities for which funds are provided under that section and will in no event supplant such State, local, and other non-Federal funds.

The Secretary may not prescribe for a State the manner of compliance with the requirements of this subsection.

"(d)(1) The chief executive officer of a State shall, as part of the application required by subsection (a), also prepare and furnish the Secretary (in accordance with such form as the Secretary shall provide) with a description of the intended use of the payments the State will receive under section 1923 for the fiscal year for which the application is submitted, including—

"(A) a description of the populations, areas, and localities in the State which the State has identified as needing primary health services;

"(B) a statement of goals and objectives for meeting the needs identified pursuant to subparagraph (A);

"(C) information on the activities to be supported and services to be provided with payments under this part;

"(D) after the expiration of the first fiscal year in which the State received payments under section 1923, a description of the criteria and methods that will be used by the State for the distribution of payments under such section, and the relationship of such criteria and methods to the achievement of the purposes of this part; and

"(E) the information and data which the State intends to collect respecting activities supported under this part.

"(2) The description required by paragraph (1) shall be made public within the State in such manner as to facilitate comment from any person (including any Federal or other public agency) during development of the description and after its transmittal. The description shall be revised (consistent with this section) throughout the year as may be necessary to reflect substantial changes in the programs and activities assisted by the State under this part, and any revision shall be subject to the requirements of the preceding sentence.

"(e) Except where inconsistent with the provisions of this part, the provisions of section 1903(b), section 1906(a), paragraphs (1) through (5) of section 1906(b), section 1906(c), and sections 1907, 1908, and 1909 shall supply to this part in the same manner as such provisions apply to part A of this title.

"DEFINITIONS

"SEC. 1926. As used in this part:

"(1) The term 'low income person' refers to those individuals and families whose income is determined to be below the official poverty line as defined by the Office of Management and Budget and revised annually in accordance with section 673(2) of the Community Services Block Grant Act.

"(2) The terms 'Indian tribe' and 'tribal organization' have the same meaning given such terms in section 4(b) and section 4(c) of the Indian Self-Determination and Education Assistance Act.

"(3) The term 'medically underserved population' has the meaning given to such term by section 330(b)(3).

"(4) The term 'primary health services' means the preventive, diagnostic, treatment, consultation, referral, and other services rendered, on an ambulatory basis, by a physician and, where feasible, by a physicians' assistant or nurse practitioner. Such term includes, at a minimum, access to routine associated laboratory services, diagnostic radiologic services, preventive health services, and emergency medical care.

"(5) The term 'eligible entity' means a public or nonprofit private entity capable of providing primary health services to medically underserved populations.".

MIGRANT HEALTH CENTERS

SEC. 505. The first sentence of section 329(h)(1) (42 U.S.C. 254b(h)(1)) is amended by striking out "and" after "1983," and by inserting before the period a comma and "$46,000,000 for the fiscal year ending September 30, 1985, $50,000,000 for the fiscal year ending Septembr 30, 1986, $56,000,000 for the fiscal year ending September 30, 1987, and $61,000,000 for fiscal year ending September 30, 1988".

REGULATIONS

SEC. 506. By the earliest possible date, but not later than June 30, 1985, the Secretary shall promulgate separate final regulations to carry out part C of title XIX of the Public Health Service Act (as added by section 504(b) of this Act) which take into account the provisions of such part which are different from the provisions of parts A and B of such title.

TECHNICAL AMENDMENT

SEC. 507. Section 329(d)(2) (42 U.S.C. 254b(d)(2)) is amended by inserting before the semicolon "and the costs of repaying loans made by the Farmers Home Administration for buildings".

HEALTH CARE CONSUMER INFORMATION

SEC. 601. (a) The Secretary of Health and Human Services shall—

(1) study criteria and methodologies for collecting and disseminating, to third party payors and consumers, (A) aggregate health care price and utilization data, including price data with respect to ambulatory health care services, and (B) other health care consumer information;

(2) study programs under which such information is collected and disseminated, including the activities of public and private entities and individuals;

(3) analyze methods to assist in collecting and disseminating such information to consumers through public and private entities;

(4) study the effects of current efforts to provide price and quality data to third party payors and consumers; and

(5) study criteria and methodologies for providing consumers with information with respect to quality of health care services.

(b) Not later than October 1, 1985, the Secretary shall complete the studies and analysis required by subsection (a) and shall report to the Committee on Energy and Commerce of the House of Representatives and the Committee on Labor and Human Resources of the Senate the results of such studies and analysis, together with recommendations for Federal, State, and local governmental and private activities to collect and disseminate consumer information and recommendations for providing technical assistance to those undertaking such activities.

(c) In carrying out subsection (a), the Secretary shall consult with the National Committee on Vital and Health Statistics established under section 306(k)(1) of the Public Health Service Act, the Health Care Financing Administration, the Prospective Payment Assessment Commission, and representatives of—

(1) physicians, hospitals, and other health care providers,

(2) insurers,

(3) businesses, unions, and public entities which purchase health care through insurance or self-insurance, and

(4) health care consumers.

(d) In carrying out subsection (a), the Secretary shall assure that the methodology and criteria referred to in such paragraph shall protect the confidentiality of individuatly identifiable patient medical information.

(e) This subsection does not authorize the Secretary to require the disclosure of any information.

(f) In carrying out this subsection, the Secretary shall not duplicate any studies or reports required to be prepared by the Department of Health and Human Services.

PLAGUE CONTROL

SEC. 602. Section 317 is amended by adding at the end thereof the following new subsection:

"(k) The Secretary, acting through the Director of the Centers for Disease Control, may make grants to States for the control of plague. For grants under this subsection, there are authorized to be appropriated $1,000,000 for each of the fiscal years 1985, 1986, and 1987.".

HEALTH CARE COSTS

SEC. 603. It is the sense of the Congress that the problem of rising health care costs can be reduced if those engaged in health care professions do everything possible to hold down the cost of delivering health care to the Nation by considering options to institutionalized health services wherever appropriate.

STUDY OF THE DELIVERY OF HEALTH CARE SERVICES TO HOMELESS INDIVIDUALS

SEC. 604. The Secretary of Health and Human Services shall conduct a study of the delivery of inpatient and outpatient health care services to homeless individuals. Such study shall include an evaluation of whether eligibility requirements prevent homeless individuals from receiving health care services and an evaluation of the efficiency of the delivery of health care services to homeless individuals. The Secretary shall complete the study and report its results to the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives not later than March 31, 1986, together with recommendations for activities by Federal, State, and local governments and private entities that would improve the availability of health care service delivery to homeless individuals.

DESIGNATION OF REGIONAL PRIMATE RESEARCH CENTER

SEC. 605. (a) The Secretary of Health and Human Services, through the Division of Research Resources of the National Institutes of Health, shall designate as a Regional Primate Research Center a laboratory for experimental medicine and surgery in primates which is in existence on the date of enactment of this Act. The laboratory designated under this subsection shall be a laboratory which was initially established in 1965 and which became formally sponsored by an association of schools of medicine in 1967.

(b) The Secretary of Health and Human Services shall provide the Regional Primate Research Center designated under subsection (a) with opportunities for consideration for core support and grants to support biomedical research equal to the opportunities for consideration for such support and grants provided to all other Regional Primate Research Centers designated by the Secretary.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the amendment of the House to the title of the bill and agree to the same.

JOHN D. DINGELL,
HENRY A. WAXMAN,
JAMES H. SCHEUER,
TOM LUKEN,
JAMES T. BROYHILL,
EDWARD MADIGAN,
Managers on the Part of the House.

ORRIN HATCH,
ROBERT T. STAFFORD,
DAN QUAYLE,
TED KENNEDY,
JENNINGS RANDOLPH,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the amendments of the House to the bill (S. 2574) to revise and extend title VIII of the Public Health Service Act, relating to nurse education, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment to the text of the bill struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate amendment struck out all of the House amendment after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the Senate amendment and the House amendment. The differences between the House amendment, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—HEALTH PROFESSIONS TRAINING ASSISTANCE

SECTIONS 101-115—AUTHORIZATIONS FOR APPROPRIATIONS

Conference agreement

The House amendment authorized the Health Professions provisions in Title VII of the Public Health Service Act for two years, providing $172.5 million in FY 1985 and $190.7 million in FY 1986, for a total of $363.2 million. The Senate Bill authorized those programs for four years, providing $144.5 million in FY 1985, $154.6 million in FY 1986, $164.7 million in FY 1987, and $174.6 million in FY 1988, for a total of $638.4 million. The conference agreement authorizes these programs for three years, providing $158.4 milion in FY 1985, $163.8 million in FY 1986, and $165.1 million in FY 1987, for a total of $487.3 million.

SECTIONS 121-124—DEFINITIONS OF HEALTH PROFESSIONAL SCHOOLS

Conference agreement

Each bill included changes in the definition of health professional schools, the House and Seante adding schools of chiropractic, and the Senate including graduate clinical psychology and redefining allied health professionals. The allied health definition was expanded to include doctoral degrees and post baccalaureate training.

Conferees agreed to accept these provisions, and clarify that allied health professionals "share in the responsibility" for the delivery of health care.

The Senate bill also redefined "programs for the training of physician assistants" to emphasize training in primary care, disease prevention, and home health care. The House receded to this provision.

SECTION 125—NATIONAL ADVISORY COUNCIL ON HEALTH PROFESSIONS EDUCATION

Conference agreement

This Council advises the Secretary in preparation of general regulations and with respect to policy matters arising in administration of Health Profession programs under Title VII. The conference agreement requires that at least one representative of public health and alllied health schools be included in the representatives of health profession schools serving on the Council.

HEALTH PROFESSIONS DATA

Conference agreement

Current law requires the Secretary to establish a program to collect and analyze data on health professions personnel and requires biennial reports to Congress. The Senate bill repealed the reporting requirement for schools receiving aid under Titles VII or VIII. The Senate receded to the House bill which maintained current authority, with the understanding that data collection and reporting will not duplicate in any way the Analysis of Financial Disincentives in Career Choices in Health Professions required in this law.

SECTION 126—TECHNICAL ASSISTANCE

Conference agreement

The Secretary is currently permitted to provide technical assistance for the purpose of carrying out Title VII programs. The Senate receded to a House amendment that clarifies that funds authorized under Title VII can be used for technical assistance.

CONSTRUCTION GRANTS

Conference agreement

Title VII authorizes grants for construction of teaching facilities. The Senate bill added authority for the acquisition of equipment and instrumentation for purposes related to programs of education. The Senate receded to House language which maintained current language. The Conferees decided that any substantial changes in this authority would require further examination. The construction authority is open-ended, so that there is no ceiling on appropriations under this provision. The addition of an open-ended authorization for equipment as well might lead to substantial increases in spending. The Conferees agreed that the Senate Committee on Labor and Human Resources and the House Committee on Energy and Commerce would explore the implications of adding such a

provision, and would consider appropriate changes in authority during the next Congress.

SECTION 127—HEALTH EDUCATION ASSISTANCE LOAN

Conference agreement

Military Service Act

The conference agreement incorporates the House provision that if a student is required to be registered for the draft, no HEAL loans may be made unless the student certifies that he has registered.

This amendment is intended to restrict federal assistance to students who have met their obligation to register for the draft. This responsibility remains with the student and is not as such a responsibility of the school. For its part, a school may satisfy the requirements of this provision by obtaining a signed response from students as to whether they have registered for the draft. The Conferees do not intend to place upon the school the burden of assuring compliance on the part of the students.

Deferment

While agreeing that those individuals receiving government supported loans should begin repayment within a limited time period after graduaton (4 years for HEAL loans and 3 years for HPSL loans), the Conferees felt that some exceptions should be permitted. The Congress has long recognized the need to encourage talented men and women to pursue additional training and educational experiences that will allow them to make contributions to new knowledge in health care policy and medical science. The remuneration available for those who choose these pathways is often significantly less than that of peers who choose traditional clinical practice. The Conferees felt the requirement of repayment of loans durng periods of fellowship training or additional full-time educational activity which provide relatively low stipends, could discourage such study. Thus, an additional period of up to two years of deferral status may be requested by the student and approved by the Secretary for both HEAL and HPSL loans.

Compounding of interest

The conference agreement incorporates the House provision deleting the semiannual compounding of interest on HEAL loans with an amendment that limits the simple interest provision to the student status period and not more than a total of two years during deferment periods. The amendment also limits the simple interest provision to new HEAL loans made after the date of enactment of the Act.

The Conferees note that there is a savings to the student by limiting HEAL loans to simple interest during certain periods, but also a loss (when compared to current statute) to the lenders making the loans. No advantage is achieved for students if changes in the program discourage lenders from participating in the program. The Conferees believe that an equitable solution for both the

students and lenders is to limit the simple interest provision to certain periods rather than for the life of these high interest loans.

Insurance premium to cover loan defaults

The conference agreement incorporates the Senate provision increasing the insurance premium payable by borrowers to cover the cost of loan defaults, but with an amendment setting the ceiling at 4 percent and requiring a qualified public accounting firm to evaluate whether additional funds are needed to keep the loan insurance fund solvent. The amendment also requires that insurance premiums be collected at the time the loan is made, not over the life of the loan.

The Conferees agreed that it was necessary to keep the HEAL insurance fund solvent to protect the federal government from having to make payments beyond those collected from borrowers. However, it was also agreed that the ceiling should only be raised when absolutely necessary. In addition, to assure that students who ultimately default would pay their fair share of insurance premiums, the Conferees decided to require that loan insurance premiums be collected up front, rather than penalizing those who continue to pay off their loans by collecting funds for the insurance pool over the life of the loan.

The Conferees wish to clarify that the Senate provision allowing insurance funds to be used for collection costs refers only to those costs incurred by the federal government, not the costs incurred by the lenders. Lenders are expected to make every effort to collect loans prior to requesting reimbursement from the insurance fund. Costs of such collection activities are to be borne out of the interest rates provided.

The Conferees expect that HEAL lenders must have exhausted reasonable collection efforts during the preclaim assistance phase before they are eligible to be paid a default claim on a HEAL loan. Reasonable collection efforts by lenders may include asking the Secretary of HHS to use direct mailing through the Internal Revenue Service.

Negative amortization

The conference agreement modifies the prohibition against negative amortization of HEAL loans provision in current statute. Repeal of this provision is intended to encourage students to begin paying back their loans at the earliest possible date by reducing the size of the minimum payment. The option to elect a repayment schedule incorporating annual payments that are less than the interest accruing during that year is the student's, not the lender's.

SECTION 128—HEALTH PROFESSIONS STUDENT LOANS (HPSL)

Conference agreement

Under the HPSL program, health professions schools maintain revolving funds from which they make loans at 9 percent interest to their students. Medical and osteopathic students must meet a definition of exceptional financial need to qualify for these loans.

The conference agreement incorporates the House provision authorizing new federal capital contributions to all eligible schools,

but setting aside one-half of the new monies for loans to students, from disadvantaged backgrounds. A disadvantaged background is one as currently defined by regulations pursuant to Section 787 of the PHSA. The House provision adds schools of chiropractic and schools offering graduate programs in clinical psychology to the list of schools eligible to make HPSLs.

In addition, the conference agreement incorporates the Senate provision to extend eligibility for loans to include graduate students in schools of public health and to make it clear that doctoral-level pharmacy students can also receive HPSL loans.

Repayment period

The conference agreement incorporates the House provision that allows students to leave school for up to two years for activities related to their health profession without being required to begin repayment of their HPSL loan(s). A Senate amendment specifies that the activity must be a full-time educational activity.

Miscellaneous HPSL provisions

The conference agreement incorporates the Senate provisions that the Secretary is no longer required to reimburse a school for its capital contribution for the loans of a borrower who died or became disabled, but schools are authorized to collect an insurance premium to cover these costs. Also, schools are required to assess a charge of not more than 6 percent on past due installments.

The conference agreement also incorporates Senate provisions to require school loan programs to make available to borrowers extensive information on their loan obligations and actions that may be taken by the school and government to collect the loans.

A notice and formal hearing before an administrative law judge are required if the Secretary intends to terminate a loan agreement with the school.

Military Service Act

The conference agreement incorporates the House provision that if a student is required to be registered for the draft, no HPSL loan may be made unless the student certifies that he has registered.

This amendment is intended to restrict federal assistance to students who have met their obligation to register for the draft. This responsibility remains with the student and is not as such a responsibility of the school. For its part, a school may satisfy the requirement of this provision by obtaining a written response from students as to whether they have registered for the draft. The Conferees do not intend to place upon the school the burden of assuring compliance on the part of students.

Funds returned to the Secretary

The conference agreement incorporates the Senate provision which states that any excess cash or other funds returned to the Secretary from a school loan fund in any fiscal year are required to be available in that and the succeeding fiscal years for payment to other school loan funds. A House amendment requires distribution among schools that first established their loan funds between July 1972 and September 30, 1984.

The Conferees want to make it clear that the purpose of limiting distribution to new schools is to target the funds to assist disadvantaged students.

Referral of loans to the Secretary

The conference agreement incorporates the Senate provision which allows schools to refer loans to the Secretary. The Secretary may assist schools in collecting loans in default, if the schools have met requirements for attempting to collect the loan.

In adopting the provisions for referral of loans in default to the Secretary for collection, for penalty charges on past due installments, and for detailed information to students on their loan obligations, the Conferees expressed their strong support for collection of outstanding loans. Health professionals who have received low-interest loans at public expense for their education must be held to their responsibility to repay their loans and, in so doing, to replenish the revolving loan funds.

Many schools have commented that the June 3, 1983, regulations (which have not yet been fully implemented) regarding loan collection performance standards would place an impossible burden on them by redefining previously ambiguous regulations in ways that cannot now be met. Further, they argue that they should not be excluded from the Health Professions Student Loan Program for previous administrative inadequacies that were not monitored adequately by the Department in the past and for which no corrective action was ever recommended by the Department.

The Conferees believe that schools should be required to do everything currently possible to collect old loans and come into compliance on a reasonable timetable. In addition, the Conferees felt that when determining compliance, administrative problems beyond the control of current officials responsible for loan collection should be considered. However, the Conferees note that termination of a loan agreement with a school benefits virtually no one and may preclude needy students from attending a particular health professions school. Therefore, termination should be reserved for recalcitrant institutions that do not make good faith efforts to redress previous administrative shortcomings.

In particular, the Conferees are concerned that measures not be taken by the Department that would penalize future students unfairly by terminating loan agreements before schools have adequate opportunity to bring their collection procedures into conformance with current regulations. Thus, the Conferees adopted a provision requiring written notice and a formal hearing before an administrative law judge when agreements are to be terminated.

Finally, the Conferees intend that the Senate Committee on Labor and Human Resources and the House Committee on Energy and Commerce monitor the performance of the Department in improving loan collections and that those Committees consider the need for additional legislation in the future if insufficient progress is made or unfair procedures are applied.

SECTION 131—CAPITATION SUPPORT FOR SCHOOLS OF PUBLIC HEALTH

Conference agreement

Capitation support is intended to create incentives to address personnel shortages in the various health professions. Funds are provided on the basis of the number of students enrolled in a school. No capitation funds have been appropriated for health profession schools other than public health in recent years because personnel needs appear to have been met or even exceeded in those fields.

Both the House and Senate bills included modifications in how schools of public health would qualify for capitation funds. At conference, an agreement was reached to change the method of calculating full-time enrollments to one already applied under Section 770(a)(2)(A) of the Act and setting the base year as 1983.

There are still demonstrated shortages of public health personnel, and, therefore, the Conferees included reauthorization of appropriations for capitation for schools of public health. Both the Senate Committee on Labor and Human Resources and the House Committee on Energy and Commerce had received information that many students attend graduate school part-time, and that this makes it difficult for some schools of public health to meet the capitation requirement in current law. But since capitation is meant to stimulate enrollment the Conferees felt that it would not be appropriate to continue reauthorizing capitation funds while deleting or seriously weakening enrollment requirements. To address the situation of schools with increasing numbers of part-time students, the Conferees approved an amendment that expresses the capitation requirement in terms of "full-time equivalent" students. This eliminates the burdensome aspects of the current requirement while continuing the encouragement to maintain enrollments.

There exists in law a provision to obtain a waiver from these requirements. The Conferees believe that quality of education is essential, and that when enrollment requirements may compromise training of a limited number of public health specialists to meet documented needs, the waiver provision should be utilized. However, the waiver should not be applied in a way that undermines the enrollment requirement.

SECTIONS 133–134—SUPPORT FOR PRIMARY CARE PROGRAMS IN FAMILY MEDICINE, GENERAL INTERNAL MEDICINE AND GENERAL PEDIATRICS

Conference agreement

The Senate receded to a modified House provision requiring that the institution or hospital applying for funds under these sections, demonstrate a commitment to family medicine, general pediatrics, or general internal medicine in their medical education program.

Both the Senate Committee on Labor and Human Resources and the House Committee on Energy and Commerce heard testimony that continuing support for these programs is necessary because of the difficulty in financing primary care training programs out of patient care revenues, research monies or institutional support. Because these programs serve important national health care needs and cost-containment objectives by training primary care special-

ists, the Conferees supported their reauthorization at slightly increased funding levels. Funding under these programs is necessary to improve the economic self sufficiency of primary care training programs.

But the Conferees also were concerned that schools demonstrate a genuine commitment to primary care training and, accordingly instructed the Secretary to give priority to applicant institutions that demonstrate such commitment. The Conferees recognized that demonstration of commitment might vary among programs and intend that the definition of commitment allow for flexibility. In developing regulations the Secretary should consider the characteristics of the applicant institution and its other training programs. Special attention should be given to support fledgling programs in traditional medical centers which hold the promise of developing academic excellence.

The Conferees recognize that the development of adequate numbers of educators in general internal medicine and general pediatrics, as well as in family medicine, is an important adjunct to efforts to foster primary care medicine through the funding of residency training programs. The training of such faculty further enhances the necessary integration of family medicine, general internal medicine and general pediatrics into traditional medical education training programs. Accordingly, the Conferees strongly support the use of a portion of the funds under Section 784 for model faculty development programs and encourage the Secretary of Health and Human Services to continue recent departmental efforts to support such faculty development.

SECTION 135—SUPPORT FOR PROGRAMS IN GENERAL DENTISTRY

Conference agreement

Both the Senate and the House bills provided protection for funding of general dentistry residency training programs by mandating support at a specific percentage of the authority.

The Conferees agreed to split the designated figure setting aside 7½ percent of funds in Section 786 for graduate training programs in general dentistry.

SECTION 138—TWO-YEAR SCHOOLS OF MEDICINE, INTERDISCIPLINARY TRAINING, AND CURRICULUM DEVELOPMENT

Conference agreement

Current law authorizes assistance in converting a 2-year school of medicine to a 4-year degree program.

The Senate receded to a House amendment to allow conversion authority to be replaced by authority for grants to maintain or improve schools providing the first or last two years of education leading to the degree of doctor of medicine or osteopathy. Grants to schools in existence on the date of enactment of these amendments could be used for construction and the purchase of equipment. The Conferees determined that it was no longer appropriate to encourage additional conversion of two-year schools of medicine to four-year schools, but recognized that some existing two-year schools require assistance in maintaining and improving their programs.

This authority is not intended to be "open-ended," and Conferees recommend that such grants—particularly those for construction—be awarded one time only to an applicant school.

SPECIAL PROJECTS

Conference agreement

Current law includes a general health manpower special project authority with 24 illustrative possible project purposes.

The Senate bill changed this authority to fund only projects for curriculum development and faculty training in health promotion and disease prevention; geriatrics and long-term care; promotion of economy in health professions teaching, health care practice, and health care systems management; development of initiatives for continuing competence; clinical nutrition; and, large animal care and animal research.

The House bill authorized projects limited to health policy and policy analysis; applying the social and behavioral sciences to the study of health and health care delivery; health promotion and disease prevention; and, human nutrition. Separate authorities were provided for geriatrics and for grants for animal care and use and the development of alternatives to the use of animal in research.

The Conferees agreed that projects may be funded for any of the purposes in either the House amendment or the Senate bill.

The Conferees agreed that the list of twenty-four areas for special projects in existing law provided insufficient direction to the Secretary. Accordingly, the list was reduced to areas deemed to represent national health priorities. One particular area needing greater emphasis is training of health professionals in geriatrics and the problems of the elderly. The Conferees agreed to emphasize this by providing a separate authorization for appropriation for geriatric training and curriculum development.

The House receded to a Senate provision to require that of amounts appropriated under this section, at least 75 percent shall go to peer reviewed applications from health professions schools and not more than 25 percent to other entities.

The Conferees wish to clarify that two-year schools that are eligible for grants for their maintenance or improvement should be considered health professions schools for the other projects in this provision.

SECTION 133—AREA HEALTH EDUCATION CENTERS (AHEC'S)

Conference agreement

Current law requires the Secretary to set aside no more than 10% of funds for project grants to AHECs that have previously received federal assistance for development and operation.

Both House and Senate bills extended the provision, but the Senate receded to a House provision which allows only health professions schools which have previously received or still receive assistance for an AHEC program to apply for project funds for individual AHECs in their program that no longer receive federal funds.

The Senate also receded to the House to delete an amendment waiving the requirement that 10 percent of a school's undergraduate medical education be conducted in the AHEC, and requiring schools to provide training for physician assistants (PAs) or nurse practitioners (NPs).

SECTION 136—EDUCATIONAL ASSISTANCE TO DISADVANTAGED STUDENTS

Conference agreement

Current law authorizes grants and contracts with MODVOPP and allied health schools and with other public or private nonprofit entities to assist students from disadvantaged backgrounds to undertake and complete health professional training. Not less than 80% of appropriated funds are set aside for grants to institutions of higher education and not more than 5% may be obligated for projects having the primary purpose of informing individuals about health careers. The House receded to a Senate provision allowing participation of schools of chiropractic and graduate programs in clinical psychology.

Both the Senate Committee on Labor and Human Resources and the House Committee on Energy and Commerce recognized the importance of this program in assisting disadvantaged students to enter and successfully complete health professional training, and supported large increases in authorization levels. However, the Conferees note their concern with the priorities set by the Department for funding. This program is intended to help disadvantaged students enter any professional school, not just those schools with a high percent of individuals from disadvantaged backgrounds. Thus, the Conferees question the validity of funding priorities which serve to limit support to institutions with a higher percentage of disadvantaged individuals.

In addition, although current law sets only a minimum for the proportion of funds that go to educational institutions, the Conferees also expressed concern that other eligible applicants not be excluded. In FY 1984, nearly 90 percent of funds went to educational institutions. At the same time, many approved applications from other entities went unfunded. In supporting increased appropriations for this program, the Conferees intend that meritorious applications receive funding, regardless of whether the applicant is an educational institution or not. Moreover, the Conferees are concerned that funding priorities not exclude consideration of any such applicant regardless of the level of appropriations available. The Conferees intend that the Senate Committee on Labor and Human Resources and the House Committee on Energy and Commerce monitor future funding priorities carefully to determine if new legislation is necessary.

SECTION 140—REPEALS

Conference agreement

The House receded to the Senate regarding several repeals of sections considered obsolete or redundant. None of the repealed authorities relate to currently funded activities in health professions training.

SECTION 141—ANALYSIS OF FINANCIAL DISINCENTIVES IN CAREER CHOICES IN HEALTH

Conference agreement

The House receded to a Senate provision requiring a report to Congress in October, 1985, regarding analysis of financial disincentives to health professional students regarding career choice. The Conferees are concerned that there may be financial disincentives to graduates of health professions schools selecting careers in primary care specialties, basic biomedical research or academic medicine. Also, there may be financial disincentives which affect the decisions of graduates to locate in medically underserved areas. Large personal debts often accrue during the course of a student's education and may affect decisions about location and type of a practice.

RECOVERY OF TITLE VII AND VIII CONSTRUCTION FUNDS

Conference agreement

The Conferees expect that the Department upon notification will expedite recovery procedures to avoid subjecting facilities to interest charges that might result from Departmental delay. The Secretary may provide that where such delays are caused solely by the Department, the resulting interest charges may be waived.

SKIP TRACING AND MAIL FORWARDING

Conference agreement

The Senate bill contained a provision allowing the Secretary of Health and Human Services to obtain from the Internal Revenue Service and release to schools or lenders, the addresses of individuals who have defaulted on HPSL, HEAL or NSL loans. The conferees gave serious consideration to adopting this provision but decided instead to request the Department of Health and Human Services first to attempt to improve collections by using the IRS's Mail Forwarding Service. The Conferees anticipate that the Secretary will enter into a trial agreement with the IRS to implement Mail Forwarding at the earliest practicable date, and intend that the Senate Committee on Labor and Human Resources and the House Committee on Energy and Commerce monitor progress under this agreement closely and consider whether legislation is necessary in the future.

TITLE II—NURSE TRAINING ACT

SECTION 201—SPECIAL PROJECTS

Conference agreement

The conference agreement incorporates the Senate provision with an amendment to give priority to the awarding of grants and contracts under paragraph (7) of subsection (a) of the Senate provision. The conference extends for three years the authorization of appropriations for purposes (1) through (5) of subsection (a) at $13 million for FY 1985, $14 million for FY 1986 and $14.9 million for FY 1987; and for purposes (6) through (8) of subsection (a) the au-

thorizations of appropriations at $5 million for FY 1985, $5.35 million for FY 1986, and $5.8 million for FY 1987. The Conferees note that project purposes (1) through (5) are intended to be illustrative of a number of activities which could be supported under this authority. Other projects which the Conferees expect to be supported under this authority would include projects to strengthen such specialized areas as geriatric and long-term care, maternal and child health, and health promotion and disease prevention.

SECTION 202—ADVANCED NURSE EDUCATION

Conference agreement

The conference agreement incorporates the Senate provision with an amendment to strike the word "consultatnts"; and extends for three years the authorization of appropriations for this provision at $17.5 million for FY 1985, $18.9 million for FY 1986 and $20.3 million for FY 1987.

SECTION 203—NURSE PRACTITIONER PROGRAMS

Conference agreement

The conference agreement incorporates the House provisions with several amendments. The House provision making the primary care requirement inapplicable to nurse midwifes was deleted and the Senate repeal of subsection (d) was retained. The conference committee acknowledges the efforts of nursing educators and schools to standardize nurse practitioner programs around the country. While the conference committee encourages such efforts on a state-by-state basis, the conferees have retained the eligibility of non-degree nurse practitioner programs. The conferees intend for the Secretary to re-institute the traineeship program for nurse practitioner and nurse midwife programs authorized under this section. The "public health care facility" option provided by the conference agreement should ease those problems of placement of students with service commitments that have, for the past few years, restricted the implementation of the traineeship.

The conference agreement also extends the authorizations for Section 822 at $16.5 million for FY 1985, $17.8 million for FY 1986 and $19.1 million for FY 87.

SECTION 204—TRAINEESHIPS FOR ADVANCED EDUCATION OF PROFESSIONAL NURSES

Conference agreement

The conference agreement incorporates the Senate provision with an amendment to conform the list of eligible entitles with those listed in 822 (a)(1) of Title VIII. The conference agreement also authorizes appropriations for this provision at $15.25 million for FY 1985, $16.5 million for FY 1986 and $17.0 million for FY 1987.

The conference agreement also includes the Senate provision to allow the Secretary to make grants to public and private non-profit schools of nursing to cover the costs of post-baccalaureate fellowships for faculty in such schools. For this purpose, there are au-

thorized to be appropriated $1.5 million for FY 1985, $1.6 million for FY 1986 and $1.75 million for FY 1987.

SECTION 205—NURSE ANESTHETISTS

Conference agreement

The conference agreement reauthorizes Section 831 of Title VIII and amends it to include grants to public or private institutions "for the purpose of providing financial assistance and support to certified registered nurse anesthetists who are faculty members of accredited programs to enable such nurse anesthetists to obtain advanced education relevant to their teaching functions." There are authorized to be appropriated for Section 831 of Title VIII, $1.0 million for FY 1985, $1.25 million for FY 1986 and $1.5 million for FY 1987, of which not more than 20 percent of the amounts appropriated in any fiscal year may be used for grants for the purpose of advanced faculty education.

SECTION 206—STUDENT LOANS

Conference agreement

The conference agreement incorporates the Senate provisions with amendments to strike the repeal of the requirement that not less than $1 million of nursing student loan appropriations for any fiscal year be reserved for loans to those students who have not been students or employed on a full-time basis for the past seven years, and the preference for nursing student loans being awarded to first year students. It also amends the number of days required for schools to return loan funds to the Secretary if a school is terminated from 30 to 90 days.

SECTION 207—REPEALS TO CONSTRUCTION AUTHORITY AND CAPITATION GRANTS

Conference agreement

The conference agreement incorporates the Senate provision with an amendment to include provisions to allow the Department of Health and Human Services to recover the costs of construction of a facility built with Title VIII constructions funds. The conference agreement also makes technical corrections in the definition of "accredited" to reflect the repeal of the construction authority.

TITLE III—NATIONAL HEALTH SERVICE CORPS

SECTION 301—AUTHORIZATION OF APPROPRIATIONS

Conference agreement

The conference agreement authorizes appropriations for both the National Health Service Corps (NHSC) "field" and scholarship programs for three years (FY 85–87).

The conferees agreed to $75 million in each fiscal year (FY 1985–87) for the NHSC field program. Based on Departmental estimates and the NHSC fiscal year 1984 appropriation, the conferees felt that this amount would maintain the federal and private practice field strengths through fiscal year 1987.

With regard to the NHSC scholarship program, the Conferees agreed to an authorization of 350, 400, and 425 new scholarships in fiscal years 1985–87, respectively. The conferees intend for the Department to recruit volunteers into the NHSC whenever possible.

SECTION 302—DESIGNATION OF HEALTH MANPOWER SHORTAGE AREAS

Conference agreement

The conference agreement adopts the intent of the House provision with amendments. As amended, the provision would prohibit the Secretary of Health and Human Services (HHS) from removing the designation of a geographic area as a HMSA until interested persons and groups in the area have had notice of the area dedesignation and an opportunity to provide data in support of the designation of a population group or facility in the area. The conferees intend for the persons and groups to initiate the request and supply data to support a population group or facility designation. The Secretary should assist in the HMSA application process, using additional information and data available to the Secretary, once intent has been established by the interested persons or groups. Interested persons and groups would include community or migrant health centers; National Health Service Corps sites, public hospitals, state and local health officials and other interested community organizations.

SECTION 303—OBLIGATED SERVICE

Conference agreement

The conference agreement incorporates the Senate provision which stipulates that for those persons receiving scholarships before October 1, 1984, the Secretary shall defer the beginning date of service upon request by the scholarship recipient for additional training; for those recipients who receive scholarships after October 1, 1984, the Secretary *may* defer the beginning date of service upon request.

The conferees note that the new authority applies to first time scholarship contracts awarded on or after October 1, 1984. This change will provide the Secretary with the authority, if needed, to restrict deferments to specialties which are in greatest need in HMSAs. It is the conferees' understanding that these specialties include Family Medicine, Internal Medicine, Pediatrics, Obstetrics/Gynecology, and Psychiatry. Such a change will eliminate the difficulties being experienced in placing individuals trained in other than the needed primary care specialties.

SECTION 304—PRIVATE PRACTICE

Conference agreement

The conference agreement incorporates the House provision which clarifies the authority of the National Health Service Corps to maintain its "Health Manpower Shortage Area Placement Opportunity List" and to restrict National Health Service Corps obligees to serving in the listed areas.

The conference agreement also incorporates the House provision which directs the Secretary to take such action as may be appropriate to assure that NHSC providers, who serve under the private practice option (PPO) authorized in Section 338C of the PHS Act, meet the conditions of their agreement with the NHSC. These conditions require, among other things, that the NHSC provider serve Medicare and Medicaid recipients and not discriminate against patients on the basis of their ability to pay for services.

SECTION 305—SPECIAL LOANS FOR CORPS MEMBERS TO ENTER PRIVATE PRACTICE

Conference agreement

The conference agreement incorporates the Senate provision to assist eligible PPO Corps practitioners in the purchase of equipment and renovation of facilities used in providing health services and for other purposes.

This provision authorizes loans to (1) persons who will fulfill their service obligation through the PPO in a HMSA (including those who will begin their service under the PPO as well as those who wish to convert to private practice after having begun their service as a Federal employee); (2) persons who have completed their service obligation and who are located in or will enter into private practice in a HMSA; and (3) Corps volunteers who never received a NHSC scholarship and who wish to enter into private practice in a HMSA.

It is the conferees' hope that this revised loan program will encourage Corps members to locate in areas where they might not have been able to start a practice without this loan.

SECTION 306—PERSONNEL PLAN FOR THE NHSC

Conference agreement

The conference agreement incorporates the Senate provision for a personnel plan for the NHSC with an amendment. As revised the required plan for FY 1988-91 would be based on the number of Corps members that the Secretary considers necessary to serve the demonstrated needs of HMSAs.

SECTION 307—TECHNICAL ASSISTANCE TO STATES

Conference agreement

The conference agreement incorporates the Senate provision which authorizes the Secretary to provide technical assistance to the State or, at the request of the State, to entities within the State. Under the provision, the Secretary will assist a state in carrying out data collection and public information activities to enable the State to make recommendations regarding the designation of HMSAs in the State.

The Conference agreement also incorporates the Senate provision to authorize appropriations of $500,000 for each fiscal year to carry out this technical assistance, but amends the provision to authorize the appropriation through FY 1988 rather than FY 1987.

TITLE IV—HEALTH MAINTENANCE ORGANIZATIONS

The Conference Agreement on Title XIII of the Public Health Service Act eliminates or phases out various Federal grant, loan and loan guarantee programs supporting the development of Health Maintenance Organizations. These programs are no longer needed and are not currently receiving appropriations. The Agreement also repeals or amends certain reporting and review requirements which are no longer necessary. Finally, it reauthorizes the Federal training and technical assistance fund at $400,000 per year through 1988 and the loan default fund through 1988 at no fixed balance. There follows a description of the Conferees' specific actions:

SECTION 401—ELIMINATION OF AUTHORIZATION OF SUPPORT FOR FEASIBILITY SURVEYS, PLANNING, AND INITIAL DEVELOPMENT COSTS

The Senate bill contains a provision repealing sections 1303, 1304, and 1307 of the Public Health Service Act. This eliminates federal grant support for HMO feasibility surveys, planning and initial development costs. The House amendment contains no such provision. The conference agreement adopts the Senate bill.

SECTION 402—LIMITATION ON LOANS AND LOAN GUARANTEES FOR INITIAL COSTS OF OPERATION

The Senate bill phases out federal loans and loan guarantees under section 1305 of the Public Health Service Act. The House amendment contains no such provision. The conference agreement adopts the Senate bill.

SECTION 403—ELIMINATION OF LOANS AND LOAN GUARANTEES FOR ACQUISITION AND CONSTRUCTION OF AMBULATORY CARE FACILITIES

The Senate bill eliminates the authorization for federal loans and loan guarantees for the acquisition and construction of HMO ambulatory care facilities under Section 1305A of the Public Health Service Act. The House amendment contains no such provision. The conference agreement adopts the Senate bill.

SECTION 404—REPEAL OF REQUIREMENT FOR HEALTH SYSTEMS AGENCY REVIEW

The Senate repeals Section 1306(b)(5) of the Public Health Service Act, eliminating the requirement for review by a health systems agency of any proposed federal support of HMO activities. The House amendment contains no such provision. The conference agreement adopts the Senate bill.

SECTION 405—LIMITATION ON BORROWING BY LOAN GUARANTEE FUND

The Senate bill limits the authority of the Secretary to borrow from the Treasury to meet obligations of the Loan fund to instances in which borrowing is necessary to meet guarantees issued before October, 1983. The House amendment contains no such provision. The conference agreement adopts the Senate bill with an

amendment extending the authority to guarantees issued before October, 1984.

SECTION 406—REPEAL OF REQUIREMENT FOR PERIODIC DEMONSTRATION OF COMPLIANCE

The Senate bill repeals the requirement that an HMO periodically demonstrate to the Secretary that it continues to meet the federal requirements for HMOs. The House amendment contains no such provision. The conference agreement adopts the Senate bill.

SECTION 407—ANNUAL UPDATE OF STATE LAW DIGEST

The Senate bill amends the Section 1311 digest of state HMO laws and regulations to require annual rather than quarterly updating. The House amendment contains no such provision. The conference agreement adopts the Senate bill.

SECTION 408—ELIMINATION OF UNNECESSARY REPORT

The Senate bill repeals the Section 1318(e) requirement for an annual report by the Secretary to Congress of the implementation of financial disclosure requirements, while not disturbing the Department's monitoring of that implementation. The House amendment contains no such provision. The conference agreement adopts the Senate bill.

SECTION 409—AUTHORIZATION OF APPROPRIATIONS

The Senate bill reauthorizes the Department's Section 1309(a) training and technical assistance authority through 1987 at $400,000 per year, and reauthorizes the Section 1308(e) loan fund through 1987, at such sums as necessary. The House amendment does not reauthorize the training and technical assistance authority, and reauthorizes the loan fund at a level of $5,000,000 through 1988, so that new loans could be made. The Conference Agreement reauthorizes both the training and technical assistance fund (at $400,000 per year) and the loan fund (at such sums at necessary, with no required balance) through 1988.

SECTION 410—ORGAN TRANSPLANTS AS PART OF BASIC HEALTH SERVICES

The House amendment prohibits the Secretary from requiring federally qualified health maintenance organizations to include organ transplants, other than kidney transplants, in their basic health services package before their contract years beginning after January 1, 1986. In determining whether such procedures should be included after such date, the Secretary would provide an opportunity for public comment on the proposed requirement.

The Senate bill has no comparable provision.

The conference agreement adopts the House provision with an amendment. After the date of enactment, the Secretary could require the inclusion of organ transplants not currently required to be included in basic health services if the Secretary follows certain procedures. The Secretary must publish the proposed requirement in the Federal Register, provide an opportunity for public comment

prior to the implementation of the requirement, and, after considering the comments, publish any new requirement in the Federal Register. In requiring any new organ transplant procedure, the Secretary must provide a reasonable opportunity for Health Maintenance Organizations to implement the new requirement.

The Conferees are aware that the Assistant Secretary for Health has recently determined that liver transplants for children with biliary atresia are no longer experimental. The Conferees expect the Department to act expeditiously in following these new administrative procedures if it intends to require federally qualified health maintenance organizations to include coverage for this liver transplant procedure as a condition of federal qualification. It is the Conferees intent that the Secretary follow these procedures in future organ transplant determinations instead of the past procedure involving letters on the experimental or accepted status of the transplant.

The Conferees also intend for the Secretary to provide a reasonable phase-in period whenever an organ transplant procedure is required to be covered. In determining the length of the period, consideration should be given to HMO budgeting cycles, member contract renewal dates, and limitations on the manner in which federally qualified HMOs establish their rates. Adequate time should be provided so that HMOs can adjust their rates and coordinate the necessary personnel and facilities in an orderly manner.

The Conferees note that the inclusion of this provision in Title 13 of the Public Health Service Act does not alter the authority of states to require the HMOs to cover organ transplants under state law.

Repeals

The Senate bill repeals Section 1313 of the Public Health Service Act, which requires that only Title XIII funds may be used for HMO development. The House amendment contains no such provision. The conference agreement adopts the House amendment.

TITLE V—PRIMARY HEALTH CARE SERVICES

SECTION 501—MEDICALLY UNDERSERVED POPULATIONS

Conference agreement

The conference agreement incorporates the Senate provisions with an amendment to strike the phrase "(or the designee of such chief executive officer)" from subsection 2(A).

SECTION 502—MEMORANDUM OF AGREEMENT

The conference agreement incorporates the Senate provisions. The Conferees specifically reference Senate Report #98-490 with regard to these Memorandum of Agreement provisions.

SECTION 503—AUTHORIZATIONS OF APPROPRIATIONS

Conference agreement

The conference extends for four fiscal years the authorization of appropriations for Community Health Centers at $375 million for

FY 1985, $405 million for FY 1986, $437 million for FY 1987 and $472 million for FY 1988.

SECTION 504—STATE GRANTS FOR PRIMARY CARE RESEARCH, DEMONSTRATION, AND SERVICES

Conference agreement

The conference agreement incorporates the Senate provisions with an amendment to authorize appropriations at $15.0 million for FY 1985, $17.5 million for FY 1986, $20.0 million for FY 1987 and $23.5 million for FY 1988. The Conferees also agreed to specifically reference Senate Report #98-490 with regard to the State Grant program provisions.

The Conferees agreed to include in the Statement of the Managers clarification of Section 1925 with regard to "Applications and Description of Activities; Requirements." The conference committee intends that State grant funds be used primarily for the provision of primary care services and retains the Senate provision that at least 80 percent of these funds be spent for the provision of services. These services must be provided in medically underserved areas and to individuals who need primary health care and may not be used merely to supplant ongoing State services in any areas. The last sentence in subsection (c) of Section 1925 states that the "Secretary may not prescribe for a State the manner of compliance with the requirements of this subsection." This statement is added to assure that the States, while having to comply fully with the terms of the statute, will have optimum flexibility in developing primary care programs which meet local needs, without further federal regulatory direction. However, subsection (c)(6) states that for purposes of compliance with this section, entities which are recipients of grants under section 1924 and under section 329 or section 330 can not be required to comply with different reporting requirements and criteria than are required under section 329 or section 330. It is not intended that States be allowed to develop new reporting requirments or criteria with which existing federal grantees must comply.

SECTION 505—MIGRANT HEALTH CENTERS

Conference agreement

The conference agreement incorporates the House provision with an amendment to reauthorize these programs at $46.0 million for FY 1985, $50.0 million for FY 1986, $56.0 million for FY 1987 and $61 million for FY 1988. The conference agreement also includes a technical amendment from both House and Senate bills to allow MHC's to use their grants for the costs of repaying loans made by the Farmers Home Administration. This corresponds to a technical change made for the community health center program under P.L. 97-414, the Orphan Drug Act.

TITLE VI—MISCELLANEOUS PROVISIONS

SECTION 601—HEALTH CARE CONSUMER INFORMATION

Conference agreement

The conference agreement would require the Secretary to undertake a set of related studies regarding health care consumer information and report the results to the Committee on Energy and Commerce and the Committee on Labor and Human Resources.

Many efforts are currently being made, by business coalitions, consumer groups, state governments and others, to collect and disseminate consumer information. Many of these are developing effective programs. There are concerns, however, that the information being made available to consumers may be incomplete, may not be in useful form, or may give rise to misunderstandings or misinterpretations.

The conferees have agreed that the Secretary shall conduct studies and make recommendations to the Congress for Federal, state and local governmental and private sector activities to collect and disseminate health care consumer information. The Secretary would be required to study existing programs and their effects, to study criteria and methods for collecting and disseminating information to consumers and third party payors, and to analyze methods to assist in collecting and disseminating information to consumers through public and private entities. The Secretary would be required to complete these studies and to report to the Congress by October 1, 1985, with recommendations regarding how such activities might be carried out and recommendations for providing technical assistance to those undertaking such activities.

It is not the conferees' intent that the Department of Health and Human Services would begin to collect and disseminate consumer information. Instead, it is the conferees' intent that the Secretary study the issues thoroughly and advise the Committees on recommendations for further efforts to collect and disseminate consumer information.

SECTION 602—PLAGUE CONTROL

Conference agreement

The House amendment contained an authorization for plague control activities. The funds authorized are to be used for grants and cooperative agreements for prevention and control of the disease, including improvement and implementation of plague control strategies among animals and among humans. The Senate receded.

SECTION 603—HEALTH CARE COSTS

Conference agreement

The House amendment expressed the sense of the Congress that rising health care costs can be reduced by considering options to institutionalized care when appropriate. The Senate receded.

SECTION 604—STUDY OF HEALTH CARE SERVICES TO THE HOMELESS

Conference agreement

The House amendment required the Secretary of Health and Human Services to conduct a study of the delivery of health care services to the homeless and an evaluation of eligibility requirements which prevent the homeless from receiving health care. The Senate receded with a modification requiring an evaluation of whether eligibility requirements present such a barrier to care.

SECTION 605—PRIMATE CENTERS

Conference agreement

The Senate bill required the Secretary of Health and Human Services to designate as a Regional Primate Research Center a laboratory for experimental medicine which is in existence, was established in 1965, and became formally sponsored by an association of schools of medicine in 1967. These provisions apply to the Laboratory for Experimental Medicine and Surgery in Primates, Sterling Forest, New York. The conferees agree that this is not intended to require funds from monies appropriated for existing primate centers. No currently designated center should be funded at a lesser amount due to this provision. The House receded.

JOHN D. DINGELL,
HENRY A. WAXMAN,
JAMES H. SCHEUER,
TOM LUKEN,
JAMES T. BROYHILL,
EDWARD MADIGAN,
Managers on the Part of the House.

ORRIN HATCH,
ROBERT T. STAFFORD,
DAN QUAYLE,
TED KENNEDY,
JENNINGS RANDOLPH,
Managers on the Part of the Senate.

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